

***United States Court of Appeals
for the Second Circuit***



**APPELLANT'S
APPENDIX**

74-2583

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P/S

IN THE
United States Court of Appeals
FOR THE SECOND CIRCUIT

DOCKET NO. 74-2583

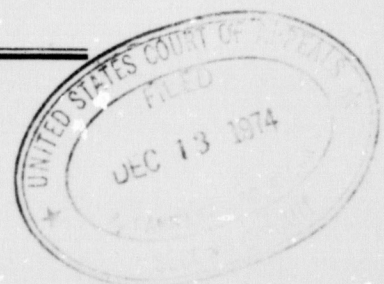
SHELDON S. TURNER,
Defendant-Appellant,
--vs.--

UNITED STATES OF AMERICA,
Plaintiff-Appellee.

ON APPEAL FROM THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

APPELLANT'S APPENDIX

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PAGINATION AS IN ORIGINAL COPY

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DOCKET ENTRIES

A

Form No. 100

JUDGE CARTER

74 CIV. 424

ORIGINAL DOCKET

TITLE OF CASE

ATTORNEYS

THE UNITED STATES

vs.

For U.S.

Douglas F. Eaton, AUSA

264-6434

/ SHELTON S. TURNER

/ DONALD R. RICHARDSON

/ FRED L. HERMAN

For Defendant:

Richardson - Bernard Rubin

789 Old Chelsea St.

N.Y. 10011

LITIGATION - JUDGE CARTER

LITIGATION - JUDGE CARTER

ABSTRACT OF COSTS

AMOUNT

CASH RECEIVED AND DISBURSED

DEC

DATE

NAME

RECEIVED

DISBURSED

e,
rk,
rshal,
orney,
NINETEEN COUNTS 18
COUNTS, 1014

se report to influence
k loans.(

Nineteen Counts)

DATE

PROCEEDINGS

7-74 Filed indictment.

9-74 Deft TURNER present with Atty- Deft pleads not guilty, 16 days for motions
CASE assigned to Carter, J.. Deft ordered photographed & fingerprinted,
bail fixed by the Court at \$10,000 PRB bail limits extended to include
the S.D. of Florida. Bauman, J.

29-74 Deft RICHARDSON present with Atty B. Ginsberg- Pleads not guilty, 10 days
for motions. Deft ordered photographed & fingerprinted, bail fixed by the
Court at \$10,000 PRB, bail limits extended to S.D. of Florida. Bauman, J.

-Over-

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DOCKET ENTRIES

B

PAGE 2

DATE	PROCEEDINGS	CLERK'S FEES	
		PLAINTIFF	DEFENDANT
29-74	DEFT HERMAN present with Atty-Pleads not guilty, 10 days for motions, deft ordered photographed & fingerprinted, bail fixed by Court at \$10,000 PRB, bail limits extended to include the S.D. of Florida. Bauman.J.		
29-74	FRED L. HERMAN - Filed Personal Recognizance Bond without security sum of \$10,000.		
29-74	SHELDON SIMSON TURNER - Filed Personal Recognizance Bond without security sum of \$10,000.		
29-74	DONALD ROBERT RICHARDSON - Filed Personal Recognizance Bond without security sum of \$10,000.		
3-74	TURNER--Filed Notice of Appearance of Washor & Washor, 16 Court St, Brooklyn, N.Y. PR-		
3-74	HERMAN - Filed Notice of Appearance of Gerald Kogan, 700 Brickell Av.Miami Fla. 305-		
6-74	RICHARDSON - Filed Notice of Appearance, Bernard Rubin Esq., 789 Old Chelsea Station, N.Y.10011		
21-74	PRE-TRIAL CONFERENCE HELD BY <i>2-1-74</i>		
20-74	DEFTS. SHELDON S. TURNER, DONALD R. RICHARDSON, FRED L. HERMAN(attys. present) Jur. Tri- began		
21-74	Trial continued		
22-74	Trial continued		
23-74	Trial continued Government's rests. Deft. Sheldon S. Turner moves to dismiss Counts 6,1 motion granted. Motion denied as to all other counts. Deft. DONALD R. RICHARDSON moves to dismiss counts 1,2,3,4,5,6,7,8,9,10,11,12,14,15,16,17,18 is granted. Motion as to counts 13 and 19. Defendant FRED L. HERMAN moves for judgment of acquittal to counts 4,7,8,9,15,16,17. Motion Denied. Counts 1,2,3,5,6,10,11,13,14,18 and 19 are		
26-74	Trial continued		
27-74	Trial continued concluded		
28-74	FILED Deft HERMAN's motion for judgment of acquittal as to counts 4,7,8,9,15,16,17		
28-74	FILED Deft TURNER's motion for judgment of acquittal as to counts 6,1		

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DOCKET ENTRIES

C

Rev. Civil Docket Continuation

PROCEEDINGS

Date Order
Judgment No

- 7-74 Filed for Deft. SHELDON S. TURNER - Motion for Arrest of Judgment and Memorandum of Law
- 7-74 SHELDON S. TURNER - Filed Memorandum of Law in support of Motion for New Trial
- 7-74 SHELDON S. TURNER - Filed Motion for New Trial pursuant to F.R.Cr.P.
- 21-74 DONALD REICHARDSON - Filed CJA 20 Appointing Bernard Rubin, attorney, original mailed to AO Wash.D.C. for payment - Carter, J.
- 74 SHELDON S. TURNER - Filed JUDGMENT (atty present) It is adjudged that the defendant is hereby committed to the custody of the Attorney General or his authorized representative for imprisonment for a period of SIX(6) MONTHS on each of counts 2,3, and 11 to run consecutively for a total of EIGHTEEN(18) MONTHS imprisonment. AND the defendant is FINED \$2,000 on each of counts 2,3, and 11 for a TOTAL FINE of \$6,000 to be paid or the defendant is to stand committed. The deft. is to surrender to U.S. Marshal on Wednesday 11/6/74 at 12 Noon. CARTER, J. (copies issued)
- 4-74 Filed Designation to the Court reporter for transcript of proceedings to be included to be included in the record on appeal.
- 4-74 Filed Notice of Appeal from the judgment of conviction entered on 11/1/74 based on a jury verdict, and from the denial of post trial motions for arrest of Judgment. (m/n)
- 74 Filed memo-endorsed on motion dtd 10/17/74 -- Motion denied so ordered CARTER, J.
- 74 Filed Govt Affidavit in opposition to Turners motions for arrest of judgment etc.
- 74 Filed memo-endorsed on motion dtd 10/17/74 -- Motion denied - So ordered - Carter, J.

A TRUE COPY

RAYMOND E. BURGHARDT, Clerk

Deputy Clerk

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EF:rs
3-2577

INDICTMENT

D

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

-v-

SHELDON S. TURNER,
DONALD R. RICHARDSON and
FRED L. HERMAN,

Defendants.
-----x

74 CRIM. 424

:
: INDICTMENT

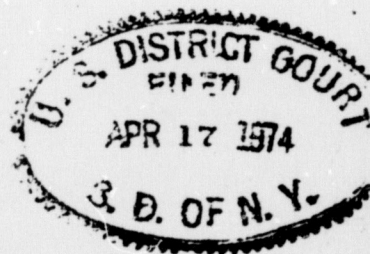
: 74 Cr.
:

COUNTS ONE THROUGH NINETEEN

The Grand Jury charges:

On or about each of the dates set forth below, in the Southern District of New York, SHELDON S. TURNER, DONALD R. RICHARDSON and FRED L. HERMAN, the defendants, unlawfully, wilfully and knowingly did make a false statement and report for the purpose of influencing the action of Chemical Bank, Dommerich Division, 110 East 59th Street, New York, New York, a bank the deposits of which were then insured by the Federal Deposit Insurance Corporation, upon certain advances and loans, and the acceptance of security therefor, in that:

(a) an Accounts Receivable Financing Agreement was in effect between the bank and York Litho Corp. of America,



INDICTMENT

E

(b) On or about each of the dates set forth below, the defendants submitted to the bank a Schedule of Assigned Receivables together with other documents, thereby falsely stating that each of the receivables on the Schedule represented a bona fide and existing obligation of a named customer of York Litho Corp. of America,

DEF:wp
73-2577

(c) in fact, each Schedule listed one or more receivables that did not represent any such obligation, and that were either unsubstantiated, or substantiated only by alleged customers' invoices and delivery records which the defendants had fabricated and forged, and

(d) the bank accepted these receivables as security, and advanced and loaned money to York Litho Corp. of America in an amount equal to approximately 70% of the dollar amount of the receivables.

INDICTMENT

F

<u>COUNT</u>	<u>DATE</u>	<u>DOLLAR AMOUNT OF THE FRAUDULENT RECEIVABLES</u>
1	November 16, 1971	\$ 7,867.00
2	November 23, 1971	\$ 3,600.00
3	December 2, 1971	\$ 3,921.00
4	December 7, 1971	\$10,993.84
5	December 9, 1971	\$10,464.00
6	December 14, 1971	\$ 1,012.96
7	December 17, 1971	\$11,226.00
8	December 21, 1971	\$ 3,750.00
9	December 24, 1971	\$ 6,500.00
10	December 29, 1971	\$14,919.20
11	December 31, 1971	\$ 8,420.00
12	January 4, 1972	\$ 5,000.00
13	January 8, 1972	\$14,386.40
14	January 20, 1972	\$ 1,468.48
15	February 23, 1972	\$ 7,110.00
16	February 25, 1972	\$ 6,498.00
17	March 1, 1972	\$ 1,800.00
18	March 6, 1972	\$11,025.00
19	March 18, 1972	\$ 5,855.00

(Title 18, United States Code, Section 1014 and Section 2.)

Thomas F. Curran
FOREMAN

Paul J. Curran
PAUL J. CURRAN
United States Attorney

mmbr

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA,

v.

SHELDON S. TURNER,
DONALD R. RICHARDSON, and
FRED L. HERMAN,

Defendants.

74 Cr. 424

Before:

HON. ROBERT L. CARTER,

District Judge
and a Jury

New York, August 20, 1974
Room 110 - 2:00 p.m.

APPEARANCES:

PAUL J. CURRAN, Esq.,
United States Attorney for the
Southern District of New York,
By: Douglas F. Eaton, Esq.,
Assistant United States Attorney

MICHAEL S. WASHOR, Esq.,
Attorney for Defendant Sheldon S. Turner

BERNARD RUBIN, Esq.,
Attorney for Defendant Donald R. Richardson

GERALD KOGAN, Esq.,
Attorney for Defendant Fred L. Herman



DIRECT EXAMINATION

BY MR. EATON:

Q Where do you work?

A I work for the Chemical Bank, Dommerich Division.

Q How long have you worked for the Dommerich Division or its predecessor?

A Four years.

Q What is your position there?

A I am an assistant secretary.

Q What was your position there in 1971 and '72?

A I was an assistant manager and auditing manager.

Q Are the deposits of the Chemical Bank insured by the Federal Deposit Insurance Corporation?

A Yes.

Q Mr. Maselow, I show you a document which has already been marked as Government's Exhibit 101 for identification.

Can you identify that?

A Yes, that is a standard contract for accounts receivable financing.

Q Is this the original from the files of the bank?

A Yes, it is.

Q I show you Government's Exhibit 102 for identification.

001

Can you identify that?

A Yes, that is a security agreement for equipment.

Q I show you Government's Exhibit 103 for identification. Can you identify that?

A Yes, that is a guarantee.

Q Now I show you Government's Exhibit 104 for identification.

Can you identify that?

A Yes, that is a secretary certificate of York Litho Corporation.

Q I show you Government's Exhibit 105 for identification. Can you identify that?

A This is a signature card of the officers of York Litho Corporation.

Q Government's Exhibit 106 for identification, can you identify that?

A Yes, this is the promissory note from York Litho Corporation to Chemical Bank.

Q Government's Exhibit 107 for identification?

A Yes, this is a letter from the Chemical Bank to Mr. Turner of York Litho Corporation.

Q Government's Exhibit 108?

A This is the surrender of collateral of York Litho Corporation to Chemical Bank.

002

Bank?

A Yes, they were.

MR. RUBIN: Objection. No foundation has been made. I would like to specifically point out --

THE COURT: I have already given you a ruling that you can make an objection, but I will not have any lengthy objections made.

Now, if you do make an objection --

MR. RUBIN: Objection, your Honor.

THE COURT: It is overruled.

Q Looking at Government's Exhibit 103 for identification, which you have identified as the guarantee, this refers in its first sentence to an agreement dated October 3, 1961, with York Litho Corporation of America. Is that agreement, the 1961 agreement, one of these agreements here?

A Yes, it is.

Q Which one?

A It is the security agreement for accounts receivable financing.

Q And you are pulling out --

A Exhibit 101.

Q Now, Government's Exhibit 101 for identification

MR. WASHOR: Objection.

003

THE COURT: I think the objection is going to be that you are reading from something not in evidence. That objection is sustained.

Q Was Government's Exhibit 101 for identification in effect throughout 1971?

A Yes, it was.

Q Is the L.F. Dommerich & Company of 485 Fifth Avenue the predecessor of the present day company?

A Yes, it is.

Q In what company is the successor today?

A Chemical Bank.

Q I am sorry, I excluded Government's Exhibit 107 when I mentioned were these documents original documents from the files of Chemical Bank.

I will now show you Government's Exhibit 107.

A Yes, it was.

Q The same applies to that?

A Yes.

MR. EATON: I will offer these documents now.

MR. WASHOR: Same objection.

MR. KOGAN: Same objection.

MR. RUBIN: Objection on behalf of Mr. Richardson. I didn't have an opportunity on the first go-around to examine these documents. May I have that opportunity now?

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1 mmbr

Maselow-direct

34

2 witnesses?

3 MR. WASHOR: Yes.

4 THE COURT: And that rule will apply to both govern-
5 ment and defense witnesses. Any in the courtroom who
6 is to be a witness either for the government or for the
7 defense is to be excluded.

8 (Jury present.)

9 MR. WASHOR: Your Honor, may I request that
10 certain material that I had an opportunity to review
11 yesterday which is, I believe, in control of the government,
12 be reproduced in court for examination?

13 MR. EATON: Yes, I think we can arrange that, your
14 Honor.

15 THE COURT: I am sorry, ladies and gentlemen, for
16 the rather late start, but I had two matters that started
17 at 9:30 and they took more time than I thought.

18 You may proceed.

19 MR. EASTON: I believe the witness Maselow is being
20 called by your clerk, your Honor.

21 S E Y M O U R M A S E L O W, resumed.

22 DIRECT EXAMINATION CONTINUED

23 BY MR. EATON:

24 Q Mr. Maselow, I show you Government's Exhibits
25 1 through 19 for identification. Those are photocopies.

005

Do you recognize the form on which each of those documents is written?

A Yes, I do.

Q Is that a bank form?

A Yes, it is.

Q Are each of those 19 forms the same form?

A Yes, they are.

Q Does that form have a name?

A Yes, this is a schedule of assigned receivables.

Q Are you familiar with the procedure by which that type of form schedule of assigned receivables is submitted to the Chemical Bank-Dommerich Division?

A Yes, I am.

Q Can you tell the ladies and gentlemen of the jury how that procedure would have operated in late '71 and '72, with respect to the borrower, York Litho Corporation of America?

A York Lito Corporation of America would fill out the schedule showing the customers that they purportedly sold to and would send the schedule by mail to our office.

Q Where is this bank's office?

A At 110 East 59th Street, New York City.

Q To whom at the bank would those documents come in

006

the first instance?

A They would come into our mail room and from there they would be described to a Mr. David Naitov.

Q On occasion when the borrower, York Litho Corporation of America, requested any particular advance of money, how would that be communicated to the Chemical Bank?

A Usually they would call us and ask us for a particular sum.

Q Who at the bank would make the decision as to how much additional money would be advanced to York Litho?

A The account executive in charge of the account, at this particular time Mr. Terrence Keegan.

THE COURT: I don't think I understand -- maybe the jury does -- but I don't think I understand what the purpose is behind the sending of that form.

MR. EATON: The simplest way is to read that document to the jury, but I can't do it until there are additional witnesses.

THE COURT: That is the simplest way to understand its purpose.

MR. EATON: I believe so. I will ask one general question of Mr. Maselow.

Q Pursuant to the accounts receivable financing

007

1
2 agreement, which is Government's Exhibit 101 in evidence,
3 did the bank receive any security for the money which
4 it advanced to York Litho?

5 A Yes. That would be these assignments. And
6 the sales attached to that, the sales invoices attached
7 to that.

8 Q That is the security?

9 A That would be the security for the loans that
10 we would give.

11 Q Now what was the practice if pursuant to this
12 accounts receivable financing agreement if one of York Litho's
13 customers paid one of those bills?

14 A If York Litho were paid the bill they would
15 send the check to York Litho and that check in kind was
16 to be sent to Chemical Bank.

17 Q In other words, as security for the loan the
18 bank really was assigned the accounts receivable bill?

19 A That is correct.

20 THE COURT: So whoever owed money to York,
21 when the loan was paid, was supposed to pay that over to
22 Chemical Bank?

23 A No, sir. They would pay it to York and York
24 in turn would send that particular check.

25 Q To your knowledge are the originals of

008

1
2 A Approximately two months.

3 Q Subsequent to that did you have occasion to
4 go down to Florida to the York Litho premises?

5 A Yes, I did.

6 Q When did you go?

7 A I went in late April.

8 Q Of what year?

9 A 1972.

10 Q When you were there did you have any conversations
11 with Mr. Sheldon Turner?

12 A Yes, I did.

13 Q Do you see Mr. Sheldon Turner in the
14 courtroom here today?

15 A Yes, I do.

16 Q Could you point him out?

17 MR. WASHOR: Your Honor, I think it is no secret
18 that this is Mr. Turner.

19 MR. EATON: The identification is conceded.

20 Q On what days, if you recall, did you talk with
21 Mr. Turner down at the York Litho offices?

22 A April 26, 27, 28.

23 Q To the best of your recollection, could you tell
24 the jury what you said to Mr. Turner and what Mr. Turner
25 said to you?

009

1 MR. WASHOR: May I object?

2
3 THE COURT: You can object with grounds. We
4 agreed on that yesterday.

5 MR. WASHOR: I object on the ground it is covering
6 three days, I would ask conversations on any of the
7 particular days, as to identity, when they occurred.

8 MR. KOGAN: I have a further objection on
9 behalf of the defendant Herman that this conversation is hear-
10 say as to him and therefore not admissible as to him.

11 MR. EATON: This evidence is offered
12 solely against the defendant Turner's statements, and
13 not against Mr. Herman or Mr. Richardson.

14 THE COURT: I think that settles that.

15 MR. RUBIN: Your Honor, if I may at this
16 time in view of the statement by Mr. Eaton, I would
17 request a direction from the Court to the jury of this
18 fact.

19 THE COURT: I think that the objection,
20 Mr. Eaton, so far as specifying the dates, is appropriate
21 in terms of the inquiry. The next testimony is only
22 testimony that relates to Mr. Turner, and you are to hear
23 it and consider it only as it affects Mr. Turner.

24 Q To the best of your ability when you are telling
25 the jury about these conversations try to identify which

010

of the three days the statement took place on, if you can.

Starting at the beginning, April 26, 1972, could you tell the jury what you first said to Mr. Turner and what Mr. Turner first said to you?

A On the first day, which would be the 26th of April, I arrived at the plant of York Litho and I discussed with Mr. Turner the receivables that had been assigned to us which were bogus.

He said that he would show me which particular ones had been billed and not shipped. He also at that date showed me some items which he had collected and had not sent to us, but had deposited in one or two bank accounts.

Q After Mr. Turner told you that, did he show you various records at the York Litho premises?

A Yes, he did.

MR. WASHOR: Objection. He is leading the witness.

THE COURT: Mr. Eaton, don't lead the witness.

Q Did you look at these records?

A I was given accounts receivable ledger cards by Mr. Turner. On some of them he had marked X's, indicating which invoices that we couldn't collect on, because either the merchandise hadn't been shipped or had in truth

011

1 never been billed to the customer, and I was to compare them
2 with the copies of records that I had brought with me that we
3 had kept in our own office.

4
5 Q Did this process of looking at the various
6 documents take up the three days that you mentioned?

7 A It took up the greatest portion of three days.

8 Q During that time did Mr. Turner continue to talk
9 to you about these records?

10 A Yes. I had at times other questions to ask
11 based on the various books and records that I had looked
12 at in the premises and got some additional information
13 as to the name of the customer, of some checks that may
14 have been deposited.

15 Q Let me show you Government's Exhibit 116 for
16 identification.

17 Can you identify that?

18 A Yes. This is a work sheet which I prepared
19 on the premises of York Litho during my visit in April.

20 Q At the time you prepared that document
21 were you attempting to set down --

22 MR. WASHOR: Objection. I am sorry to
23 interrupt in the middle of a question.

24 THE COURT: Objection sustained.

25 Q Does that document reflect in any way the state-

012

ments which you have just said that Mr. Turner made to you?

A Yes, they do.

MR. WASHOR: Objection.

THE COURT: The objection is overruled.

MR. WASHOR: May we see the document?

THE COURT: I guess it is going to be shown to you. He hasn't offered it in evidence yet.

MR. EATON: I intend to offer this on the basis of past recollection recorded and I am trying to establish the foundation for that.

Q When you were writing this document were you attempting to record accurately?

MR. WASHOR: Objection.

THE COURT: I think what you may ask him is what was he attempting to do.

Q When you were writing that document what were you attempting to record?

MR. WASHOR: I object on the grounds the word "attempt" is a state of mind.

MR. EATON: This is a question for the admission of past recollection recorded.

THE COURT: That objection is overruled.

A I was attempting to put down the extent of the receivables that had been assigned to us that were not

013

valid receivables.

I was also reconciling the amounts that had been collected with the names of customers and any other problems that could possibly arise in the receivables that would affect our ability to collect on our loan that we made to York Lito.

Q Did Mr. Turner provide the names of specific customers?

A Indirectly.

Q Could you explain what you mean by "indirectly"?

A Well, he gave me the records where the names of the customers appeared, that is the accounts receivable records where he showed me that X, with the X marked on those records, that these were the invoices that weren't valid invoices. He also handed me a deposit slip which indicated some moneys that we deposited in a bank account.

Q Well, now, you have testified about that previously, that there were two types of invalid invoices. Did Mr. Turner tell you with relation to a specific customer the reason why the invoices couldn't be collected by your bank?

MR. WASHOR: Objection. He is leading the witness. He is putting words in the witness' mouth.

014

MR. EATON: I don't intend to elicit Mr. Maselow's recollection of specific statements by Mr. Turner. I want to have Mr. Maselow explain his notes in effect so the document makes some sense.

MR. WASHOR: May I object to that.

THE COURT: The objection is overruled. The issue here is to be in a position so that whatever evidence comes in is understandable. That objection is overruled.

Q Now, Mr. Maselow, on the first page of Government's Exhibit 116 in evidence, on the left-hand side is an alphabetical listing of names of companies.

Can you tell the jury what those names mean?

A Those were the names of customers of York Litho Corporation.

Q And then alongside each one of them is a letter with a circle around it and the letter is either A, B or C.

Could you tell the jury what those letters, A, B, and C mean?

A The letter A meant that those amounts that were shown on your records that were listed as receivables were in truth not true receivables.

Q What do you mean by not true receivables?

015

mmbr

Maselow-direct

A They were either of merchandise that was actually not shipped, or not billed to the customers.

Q What about the letter B?

A The letter B was the sums of money received by York Litho Corporation which they deposited in their own bank accounts, rather than send them directly to Chemical Bank.

Q With respect to those customers who have the letter B beside them, were certain receivables uncollectible from them for the reason that they had already paid York Litho?

MR. WASHOR: Objection.

THE COURT: Objection overruled.

A That is correct.

Q Did Mr. Turner tell you what had been done with the payments received from those particular customers marked with the letter B?

A Yes.

Q What did Mr. Turner tell you had been done?

A They had deposited it into York Litho's bank accounts.

Q I show you Government's Exhibit 117 for identification, do you recognize that?

A Yes, I do.

016

Q What is that?

A That is a deposit ticket to Midtown Bank for the account of York Litho Corporation.

Q Who gave it to you?

A Mr. Turner.

Q Did Mr. Turner tell you what those deposits represented?

A Yes, he did.

Q What did he tell you?

A Where I couldn't read what was on this ticket, I had asked him what it means and I made a summarization of it on one of my work sheets.

Q Did he identify any of those items?

A Yes, he did.

Q What did he tell you those deposits represented?

A In some instances money received from the customers of York Litho.

Q I show you Government's Exhibit 118 for identification, can you identify that? That is of two pages.

A This was a copy of the bank statements of People's Hialeah National Bank, which Mr. Turner gave me.

Q That document lists some deposits into that bank account. Did Mr. Turner make any statement about any of those deposits?

1
2 A Yes, he did.

3 Q And what did Mr. Turner say about any of those
4 deposits?

5 A He indicated to me which of these covered
6 accounts receivable and also to the best of my recollection,
7 I believe a tax refund which also had been assigned to
8 Chemical Bank.

9 Q Now when you said the phrase "covered accounts
10 receivable," could you go through what you mean by that?

11 A Well, in other words, this again was a check that
12 we received from a customer of York Litho that had been
13 assigned to Chemical Bank and that check should have been
14 sent directly to Chemical Bank and it was not.

15 Q In returning to Government's Exhibit 116 for
16 identification, could you tell us what the letter C repre-
17 sented?

18 A The letter C represented those receivables
19 where there had been some production problem and the
20 people wouldn't pay for it because either the quality
21 of the merchandise wasn't to specifications or it was not
22 quite as ordered.

23 MR. EATON: I offer Government's Exhibits 117 and
24 118.

25 MR. WASHOR: Objection, your Honor, no proper

018

foundation. The mere fact that they were given to Mr. Turner doesn't make it admissible, I believe.

THE COURT: As far as I can understand the testimony of Mr. Maselow, various of these items reflected in 117 and 118 were indicated to him to be accounts that had been received by York Litho which moneys were supposed to be paid to Chemical and in turn were deposited to their own account.

MR. WASHOR: May I just comment?

THE COURT: No. As I gather, that is what these two exhibits are to reflect.

MR. WASHOR: There is no charge in the indictment that he misappropriated funds.

THE COURT: It is not a question of misappropriating funds. That is not the point and that is not why the objection is overruled.

Q Now, Mr. Maselow, I would like to go back to the search which you participated in to find original documents in the spring of one year.

Did you find original documents in your files?

A We found the documents that we testified to yesterday. I found these documents in the file. I also found many other work sheet papers and some bills.

Q Were all those documents turned over to the

019

government?

A Yes, they were.

(Government's Exhibits 117 and 118 were received in evidence.)

Q I show you Government's Exhibit 7-1, 7-2, 11-3, 11-4, 7-3, 7-4, 8-1, 10-5, 10-6, 11-1, 11-2, 13-3, 13-4, 13-7, 13-8, 18-1, 19-1 and 19-2, all for identification. Were those documents among the documents that you found in the bank's records in the spring of 1974?

A Yes, they are.

Q Do they all relate to York Litho Corporation of America?

A Yes, they do.

Q Just take 7-3 for identification, what is the name of that type of document?

A This is an invoice.

Q And stapled to that is 11-4 for identification? What is that type of document?

A A delivery record.

Q I believe all of the rest of these documents are either invoices or delivery records. How did the bank come to receive these invoices and delivery records?

A These invoices and delivery records would be

attached to our assignment of accounts receivable and mailed to us by York Litho Corporation.

Q So these type of documents would come with the schedule of assigned receivables?

A Yes, they would.

MR. EATON: I offer all of these documents in evidence.

MR. WASHOR: Are these all the originals?

MR. EATON: I believe all of these are, with the exception of some.

THE COURT: Do these documents relate only to Mr. Turner ?

MR. EATON: No, these are offered against all of the defendants.

MR. WASHOR: I would like to look at the documents.

THE COURT: Since they relate to all, I would ask that all of you look at them.

MR. WASHOR: We can look at them together, yes.

Your Honor, we have some photostats here. I object to the introduction of all the evidence, particularly those that constitute photostats.

MR. EATON: I will withdraw the photostats for

2 the time being. That means I am withdrawing 7-1, 7-2,
3 11-3 and 11-4.

4 MR. WASHOR: Excuse me, your Honor, with all
5 due respect, every one of these are carbon copies, not
6 originals.

7 MR. EATON: I will clear that up with the
8 witness.

9 Q Were the carbon copies of invoices the document
10 that York Litho would send to the bank?

11 A Yes.

12 Q And stapled to them are delivery tickets which
13 I believe in every instance are a Xerox of a delivery
14 ticket. Is that the exact form that York Litho would
15 send to the bank?

16 A Yes, they would be.

17 Q The original of that delivery ticket, where
18 would that be retained?

19 A That should be retained in the books and records
20 of York Litho.

21 Q Were those books and records available to the
22 bank's auditors pursuant to the contract?

23 A Yes, they were.

24 THE COURT: What are you offering now? You
25 have withdrawn some. What is the offer?

022

MR. EATON: 7-3, 7-4, 8-1, 8-5, 11-1, 11-2,
13-3, 13-4, 13-7, 18-1, 19-1, 19-2.

MR. KOGAN: On behalf of the defendant
Herman we would object. No proper predicate, in addition
to that no materiality or relevance as to this point and
time in the trial.

MR. RUBIN: I would join with Mr. Kogan for
brevity.

THE COURT: In the light of Mr. Maselow's
statement that the carbons were the ones that the bank
received and that the originals are in the York Litho
Company, the objection is overruled and they will be
admitted, of course subject to connection.)

(Government's Exhibits 7-3, 7-4, 8-1, 8-5,
11-1, 11-2, 13-3, 13-4, 13-7, 13-8, 18-1, 19-1 and
19-2 were received in evidence.)

BY MR. EATON:

Q On Government's Exhibit 116 in evidence next
to the customer name Leigh Robins there is a notation,
can you explain that?

A That says contra. What is meant by that is that
if there is an inter-relationship between a customer and
somebody that they might buy from or have an interest
in a business, there is the probability of being

023

1
2 able to collect on the receivable without any offset
3 becomes dubious and for purposes of collectibility of that
4 particular receivable the word contra in itself would mean
5 to me that it probably couldn't be collected in full.

6 Q Do you recall how you found out if you did,
7 that Leigh Robins had some connection with York Litho?

8 A I believe it was marked some place within our own
9 records.

10 Q Did the bank records have any notation as to the
11 existence of a bank account for York Litho at People's
12 Hialeah National Bank?

13 A No, they didn't.

14 MR. EATON: I have no further questions of
15 this witness.

16 MR. WASHOR: Your Honor, the government has
17 provided me with the material that I requested. I have
18 other areas to cover. May I proceed to the other areas
19 without going through this now? I know you want to
20 move along.

21 THE COURT: I want you to proceed with your
22 cross examination.

23 CROSS EXAMINATION

24 BY MR. WASHOR:

25 Q Mr. Maselow, in reference to the notation

024

Government's Exhibit 116, you have the word contra. Am I correct?

A Yes.

Q You explained that to mean that reflects that there may be an interest by a party in the parent company, such as York Litho, and the account receivable. Am I correct?

A I said that was one of the possibilities.

Q And you commented that the ability to collect moneys due would be dubious?

A Yes, I did.

Q So this was the result of your inventory and the control that the bnak had over York Litho in April, 1972, am I correct, that you made these notations?

A I don't understand your question, particularly when you talk about inventory.

Q You were auditing the books or you had control of York Litho in April '72?

A I didn't have control.

Q Isn't it a fact, sir, that Mr. Kavanaugh was the only one who had the keys to the premises when you sent him down there in January? Isn't that so, sir?

A Not to my knowledge.

Q Be it as it may, Mr. Maselow, is it not a fact

1
2 Isn't it a fact, that an account receivable
3 in its purest sense would be an obligation due and owing
4 for a job already completed?

5 A Yes.

6 Q Which would normally be evidence by an invoice
7 or some sort of document such as a delivery ticket to show
8 that the transaction is complete and there is only one thing
9 left open, the almighty dollar? Payment? Am I correct?

10 A You are correct.

11 Q Is it not a fact, sir, that there is terminology
12 called pre-billing or bill holding that is used in connunction
13 with accounts receivable? Just yes or no.

14 A It is not answerable by a yes or no.

15 Q Is it not a fact, sir, that Chemical Bank
16 had advanced moneys to York Litho when they were only in
17 receipt of invoices on occasions?

18 MR. EATON: Objection. It is immaterial.

19 MR. WASHOR: It is going to the phasing out.

20 THE COURT: That objection is sustained.

21 You can inquire as I have indicated whatever it has done or
22 wherever he can show.

23 Q Did you ever have occasion to look at the records
24 of York Litho Corporation?

25 A Yes.

mmbr

Maselow-cross

99

no?

A No.

Q Did Turner tell you about the non-billing?

A Yes.

Q Did he explain the non-billing? Yes or no?

A I can't answer it as yes or no.

Q Did you make a notation on Government's Exhibit 116
as to Turner's explanation of the non-billing?

A Yes.

Q What is the notation?

A Either no good, collected, or bad job.

Q Do you know which?

A Yes.

Q Which one?

A According to my records I can specifically say
particular items which he told me either were no good or
he collected the money for, or there was a production
problem.

Q Let me ask you a question; how would you
having your expertise characterize categories in the
circumstance wherein you have an account receivable and
the business goes bankrupt? Were you characterize that as
uncollectible or no good? Yes or no.

A Not completely.

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2 and second count of the indictment, handwritten
3 notations by Mr. Little.

4 MR. EATON: Your Honor, this could be marked as
5 a government exhibit.

6 (Government's Exhibit 28-A was marked for
7 identification.)

8 Q Would you look at that piece of paper. Is
9 that in your handwriting, sir?

10 A Yes, it is.

11 Q Is that made in the regular course of business
12 by you?

13 A Yes, it is.

14 O Mr. Little, when did you write that note?

15 A 3-21-72.

16 Q Four months after you received the first invoice,
17 am I correct, sir?

18 A No, sir. The date of the invoice is dated
19 2-29-72.

20 Q So one month after you received the invoice.
21 Am I correct, sir?

22 A Three weeks.

23 O Three weeks. And that note reflects a transaction
24 relative to February what, February 28th?

25 A Yes, it does.

028

Q And the note was made by you in your regular course of business?

A That is right.

MR. WASHOR: I ask that it be marked in evidence, your Honor.

MR. EATON: No objection.

(Government's Exhibit 28-A was received in evidence.)

MR. WASHOR: Now it is in evidence.

May I read it to the jury, please.

It is addressed to Dutch Turner, it says "This invoice attached is completely invalid. Please issue credit memo to take it off your books.

"Regards,

"Con."

Q Now, Mr. Little, you say that refers to the invoice dated February 28, 1972?

A I assume so.

Q Well, that is the invoice that is attached to?

A Yes, that is the invoice I sent back. If it is the invoice I sent back, this is the invoice, yes.

Q Did you return another invoice to Mr. Turner and accompanied by a note and that invoice referring to

November 16, 1971?

A I don't recall it.

Q Is there any doubt in your mind, Mr. Little, that you enclosed only one invoice with that note?

MR. EATON: The government will stipulate to that.

A No, there is no doubt. I think there was only one there.

Q This invoice referred to labels of Citrus World?

A It doesn't say.

Q I don't hear you.

THE COURT: It doesn't say, he said.

A There is no description on the invoice, just an amount of money.

Q Then how were you able to state in your note that it is invalid, sir, if you don't know what it is for?

A Well, I know that I had not bought anything from York Litho and therefore any invoice from them to Little & Company would be invalid.

Q Didn't you tell the FBI you made arrangements because you didn't trust Mr. Turner, to have Turner send you the invoices so that you could deduct the 10 per cent commission and didn't you make that statement to the FBI on September 22, 1972?

THE COURT: Objection sustained.

Q Would you look at paragraph 3 in the FBI report that you have in your possession: Would you read it to yourself, please.

A I have read it, yes.

Q Did you tell the FBI on September 22, 1972 that because you had no prior experience with Turner, you were going to have Turner bill you directly for the labels and you would in turn sell them to your customers and you would take off the 10 per cent commission, did you at least tell that much to the FBI, sir?

A Yes, I did.

Q So, sir, when you received a billing in December, 1971 when you commenced business with York Litho, from York Litho, you had had no way of knowing wherein it was just an error and a misunderstanding between yourself and York Litho? Am I correct, sir?

MR. EATON: Objection.

THE COURT: The objection is overruled. Let him answer.

Q Am I correct?

A You are correct.

Q So when you state it is invalid you don't mean that it is false, you just mean that there is a misunder-

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standing between your company and York Litho as to who was to get billed?

A Yes.

Q Is it not a fact, sir, that there were many orders placed by you with York Litho on behalf of Citrus World and Deep South Products?

A Yes.

Q Is it not a fact, sir, that York Litho Corporation had many of those orders rejected by your clients because of improper specifications?

A Some, yes.

Q And at the very inception of the negotiation or dealings between yourself and York Litho, were not the original or first handful of orders rejected by Deep South and Citrus World for failure of compliance with the orders?

A No.

Q You remember that specifically?

A If I understand your question, no is the correct answer. You said "many," did you not?

Q Yes, I did.

A Well, that is not correct.

Q Several orders were rejected?

A Yes.

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Q And you knew at the inception of the business relationship that you had with York Litho that York Litho was assigning these obligations as accounts receivable to a bank in New York, am I correct?

A No, sir. Maybe I don't understand you.

Will you repeat the question?

Q At or about the time that you were entering into a business relationship with Yor Litho, didn't you know that York Litho was forwarding these invoices, factoring these obligations?

A No, I didn't know.

Q Did you find that out?

A I found it out when I received a call from Deep South Products Company which we have discussed before.

Q Was that not found out by you the first week in January, 1972 at the time that there was a rejection of a delivered order by York Litho to Deep South Products?

A No, sir.

Q Didn't Deep South Products contact you and tell you that they received notices and letters from the Chemical Bank of New York in reference to paying of moneys and bills for the products ordered, the labels?

A The instances you refer to are a long way apart.

033

The invoices which were sent to Deep South before the labels were manufactured were received before any labels were manufactured and before any rejections were made and it was perhaps a year later before I heard anything from Chemical National Bank.

Q Before you did?

A Right.

Q As a matter of fact wouldn't it be fair to say at the time you entered into a contractual relationship with York Litho Corporation you were also an agent for another label company?

A I am an agent for a number of different companies; that is what a manufacturers agent is. We represent anybody who wants us to sell for them.

Q Sor, as a matter of fact, York Litho or Mr. Turner owes you money on commissions?

A That is correct.

Q To this very date?

A That is correct.

Q You have not been paid?

A That is right.

Q Is it not a fact, sir, that in Florida you caused him to be arrested and charged with a crime to collect this money? Yes or no.

1
2 A No.

3 Q Never?

4 A No.

5 Q Always directly to you?

6 A Right.

7 Q Did there ever come a time, Miss Stephenson,
8 where Mr. Little told you that he has been billed for
9 goods that you are supposed to get?

10 A I don't recall that.

11 Q To your knowledge then, you don't know whether
12 or not any bills that were sent or invoices that were sent
13 to Con Little, separate and distinct orders than any that
14 were sent to you?

15 A I didn't get that.

16 Q Well, did you do business directly with York
17 Litho or was Con Little the intermediary, the agent?

18 A He was the agent, yes.

19 Q Did he ever make any arrangements to get moneys
20 from you for your business relations with York Litho even
21 in the beginning?

22 A No.

23 Q Everything was direct. Were you supposed to be
24 billed directly, if you know, or was Con Little to receive
25 billing on these?

1
2 A May I make a correction? You went a little too
3 fast for me.

4 At first Con Little was supposed to be billed and
5 he would bill us, but then he came back to us and said that
6 York wanted to bill us direct.

7 Q As a matter of fact that was the original
8 working agreement until Mr. Little told you people that it
9 was going to change and there would be direct billing?

10 A Right.

11 Q In point of time would you have any reference
12 to the point as to when Mr. Little came to you to tell you
13 there would be a change in the arrangements?

14 A I don't know the exact time but all of our
15 purchase orders were issued in -- started in December and
16 January, I believe, and he first came to us in September --

17 Q In other words --

18 A -- to sell us our labels.

19 Q You mean the September before?

20 A September and then came December and I issued
21 the first purchase order to York.

22 Q September 1971 is when you entered into at
23 least negotiations with Mr. Little being the intermediary,
24 the agent, then in December you issued your first purchase
25 order?

1
2 A Yes.

3 Q That was done directly by you?

4 A Yes.

5 Q Did you receive an invoice for that purchase
6 order then?

7 A No.

8 Q Was Con Little being billed at that point?

9 A I don't know.

10 Q You weren't at that point?

11 A That is right. I was not.

12 Q So at least December '71 you weren't being
13 billed by York Litho?

14 A No.

15 Q January as you indicated 1972 you were still
16 not being billed by York Litho, am I correct?

17 A How do you mean?

18 Q Well, the receipt of an invoice.

19 A Well, I don't pay invoices unless I receive
20 goods.

21 Q Of course not. Payment is made after delivery.
22 Were you receiving invoices in January of 1972?
23 Forget about the payment.

24 A I don't know. Were you looking at my recap? We
25 received an invoice in January, yes.

Q In December when you first started to do business with York Litho, would it be fair to say that the invoice with reference to the December transactions were first sent to Con Little and not until January did you receive invoices for the first time from York Litho? Would that be reasonable?

A I can't say because I don't know.

MR. WASHOR: I have no further questions.
Thank you.

MR. KOGAN: No questions on behalf of the Defendant Herman.

MR. RUBIN: No questions on behalf of the Defendant Richardson.

THE COURT: Anything further, Mr. Easton?

MR. EATON: Yes, I think so, your Honor.

REDIRECT EXAMINATION

BY MR. EATON:

Q By the time of the first delivery of goods, from York Litho to Citrus World, was York Litho billing Citrus World, sending the invoices to Citrus World?

A The first product we received, we received invoice from York, yes.

Q So the arrangement you were talking about that perhaps Mr. Little would be billed had been changed before the

038

1 2 mdmch

Maselow-redirect

2 201 through 215 for identification.

3 Can you identify those?

4 A Yes, these are records which are kept in the
5 office of Chemical Bank-Dommerich Division.

6 Q Do they relate to York Litho?

7 A Yes, these are our copies of the accounts
8 receivable records.

9 Q Does each one of those records represent a different
10 customer of York Litho?

11 A Yes, they do.

12 Q When there is an entry marked "JE," what would
13 that represent?

14 A That would mean a journal entry.

15 Q And who would make that journal entry?

16 A One of the clerks in the office upon instructions
17 from either myself or from the account executive or from
18 Mr. Naitov, who was handling the account.

19 Q Would a journal entry mean that payment had been
20 received for that account receivable?

21 A No.

22 Q What letter code would be used to show a payment
23 from the customer?

24 A "CS."

25 Q Standing for --?

040

1 3 mdmch

Maselow-redirect

2 A Cash receipt.

3 Q What would the initials "CM" stand for?

4 A Credit memorandum.

5 MR. EATON: I am not going to offer these at
6 this time, but I will show them to counsel.

7 MR. WASHOR: Would your Honor bear with us for
8 a moment, please?

9 MR. EATON: These will be available to counsel.
10 I am not offering them at this time.

11 MR. WASHOR: The witness was questioned about
12 them. I have only two or three to go.

13 THE COURT: Make it as expeditiously as you can.

14 Q Mr. Maselow, I show you 7-1, 7-2, 11-3 and 11-4
15 for identification.

16 You have previously testified that those were
17 among the documents that were found at your bank this spring
18 and then it was brought out that these four aren't
19 in the exact form that the documents were received at the
20 bank in.

21 Are they photocopies of documents that were in
22 such form?

23 A Yes, sir.

24 MR. WASHOR: Objection, your Honor. Improper
25 redirect examination.

041

1 11 mmch

Maselow-redirect
Breslow direct

2 THE COURT: In other words, you are saying that
3 what you in fact received from York Litho has been
4 destroyed?

5 THE WITNESS: That is correct.

6 THE COURT: The objection is overruled.

7 MR. EATON: I have no further questions.

8 (Government's Exhibits Nos. 7-1, 7-2, 11-3 and
9 11-4 for identification were received in evidence.)

10 THE COURT: Anything further from Mr. Maselow?
11 Thank you very much. You may step down.

12 (Witness excused)

13 MR. EATON: The Government calls Arthur Breslow.

14 A R T H U R B R E S L O W, called as a
15 witness on behalf of the Government, being first
16 duly sworn, testified as follows:

17 DIRECT EXAMINATION

18 BY MR. EATON:

19 Q For what company do you work?

20 A I work for the Chemical Bank-Dommerich Division.

21 Q Were you working for them in July '72?

22 A Yes.

23 Q Where physically were you located in July 1972?

24 A In Hialeah, Florida at the York Litho Company.

25 Q What were you doing at the York Litho Company at

1 12 mmch

Breslow-direct

2 that time?

3 A I was acting as an agent for the bank.

4 Q Did you meet an FBI agent named John
5 Brady?

6 A Yes, I did.

7 Q By the way, Agent Brady is an agent of the FBI?

8 A Yes.

9 Q Did you turn over any documents to Agent Brady
10 in July 1972?

11 A Yes.

12 Q I show you Government's Exhibits 20 through 36 for
13 identification.

14 Have you had a chance to look at these exhibits
15 briefly previous to testifying here?

16 A These are the documents.

17 Q When you turned them over to FBI Agent Brady,
18 were they in these individual folders with the typed labels?

19 A No.

20 Q Did they have these sheets of yellow ruled papers
21 with Government exhibit numbers on them?

22 A No.

23 MR. WASHOR: I will ask that anything that was put
24 into the file vis-a-vis Government or anybody looking to
25 the checking of any notes of a personal nature be withdrawn.

1 21 mmch Irish-direct
2 rest of the day.

3 MR. EATON: Yes.

4 (Witness excused)

5 MR. EATON: The Government calls Charles Irish.

6 C H A R L E S J. I R I S H, called as
7 a witness by the Government, being first duly
8 sworn, testified as follows:

9 DIRECT EXAMINATION

10 BY MR. EATON:

11 Q Where do you work?

12 A Chemical Bank.

13 Q What division?

14 A Dommerich Division.

15 Q What is your title there?

16 A Assistant vice-president.

17 Q Now, in the summer of '72, did you have a conver-
18 sation with any FBI agents?

19 A Yes, I did.

20 Q Did they request anything from you?

21 A Yes, they did.

22 Q What did they request?

23 A They requested particularly invoices from me
24 that were spurious.

25 Q Did they request documents?

22 mmch

Irish-direct

MR. RUBIN: Your Honor, I will object and move to strike the last words as being a conclusory statement.

THE COURT: Well, I think that is correct.

We may interpret that differently. I am not sure what it means, so it is stricken.

You may describe it in clearer fashion.

Q After your conversation with the FBI, did you retrieve any documents from the bank's files pertaining to York Litho Corporation of America?

A Yes, I did.

Q Were the originals of those documents in existence in the summer of '72?

A Yes, they were.

Q What did you cause to be done with those original documents?

A We caused copies of the original documents to be made.

Q I show you Government's Exhibits 1 through 19 for identification.

Do you recognize those documents?

A Yes, I do.

Q What are they?

A They are the copies of the York Litho documents that I had. They are the copies of the documents concerning

1 25 mmch Irish-direct

2 Q But this is a Xerox of the document in whatever
3 form it was sent to the bank?

4 A Yes, it is.

5 THE COURT: I don't understand that.

6 You said that is proof of shipment that you use?

7 MR. EATON: Maybe you could read his Honor
8 the title of the document.

9 THE WITNESS: The title of the document is
10 "Delivery Record." The bank uses this to establish proof
11 of shipment, what it is; it's attached to an invoice.

12 THE COURT: Am I to understand that that is a
13 document that the bank provided for York Litho?

14 THE WITNESS: No. York Litho submits this with
15 an invoice to the bank. The invoice indicates that they
16 have sold merchandise to a customer, and attached to it
17 is supposed to be a document signed by the trucker who
18 delivered the merchandise to the customer, and signed by
19 the customer if it was local.

20 THE COURT: The explanation still isn't there.
21 What is that document? Proof of shipment? What is that
22 document?

23 THE WITNESS: This is a copy of a document that
24 York Litho sent to us.

25 THE COURT: I misunderstood. I thought by your

1 26 mmch Irish-direct

2 testimony that that document was a bank form.

3 THE WITNESS: No, your Honor.

4 MR. EATON: I believe that testimony related
5 to 1 through 19, the schedules of assigned receivables,
6 your Honor.

7 THE COURT: I misunderstood. Now I understand.

8 Thank you.

9 MR. EATON: I offer all these documents in
10 evidence.

11 MR. WASHOR: Same objection as we made to the
12 other documents.

13 THE COURT: No originals?

14 MR. WASHOR: Yes.

15 THE COURT: I take it that those documents,
16 Mr. Irish, the bank doesn't have in the form in which they
17 were received?

18 THE WITNESS: Yes.

19 THE COURT: And the form in which they were
20 received was destroyed, and all you have is photocopies
21 of the documents?

22 THE WITNESS: That is correct.

23 THE COURT: Mr. Washor, if that is your only
24 objection, I will make the same ruling as on the others.
25 It is overruled.

1 45 mmmch

Irish-cross

2 A What was the preceding question?

3 Q That there are no documents that you can refer
4 to to determine if monies were loaned on any one particular
5 schedule.

6 A We didn't advance monies on any particular
7 schedule. Our advance form has nothing to do with these
8 schedules. It's in bulk. The total receivables is what
9 we lend against, not a schedule.

10 Q So that, Mr. Irish, the bank wouldn't have relied
11 on the representations in the schedule; am I correct?

12 A You are incorrect.

13 Q Did you just say that you didn't make advances
14 of money predicated on the schedule and the names of the
15 accounts in the schedule?

16 MR. EATON: It's a misstatement; the word was
17 "particular schedule."

18 THE COURT: Mr. Washor, he said you are incorrect.

19 Now, instead of repeating the question, if you
20 are interested, let him tell you why you are incorrect.

21 MR. WASHOR: How can you be incorrect on a
22 question? I happen to be concerned.

23 THE COURT: Obviously, your question was based
24 upon what Mr. Irish said is an erroneous conclusion.
25 Let him tell you.

1 46 mmmch

Irish-cross

2 Q Will you explain it to me, sir?

3 A We place absolute reliance on the schedule for the
4 total receivables. The total of the receivables on that
5 schedule are then added to the entire outstanding
6 receivables pursuant to our records for the company, and
7 advances are based on that, not on this, but on the total
8 receivables picture of the company.

9 But we place absolute reliance on this schedule
10 for the bottom-line number for transferring it to the total
11 receivables that our records show.

12 Q Even if it were unsigned?

13 A It should have been signed.

14 We relied on it unsigned; that is correct.

15 Q Now, sir, did you have other occasions to advance
16 monies to York Litho or Sheldon Turner without billing or
17 schedules?

18 THE COURT: Without schedules?

19 A I don't understand the question.

20 THE COURT: I don't think he has testified to
21 that.

22 Q Did you ever advance monies to York Litho,
23 that is, the Chemical Bank, during your tenure with them,
24 without the use of these schedules?

25 A I still don't understand.

1 62 mmch

Irish-cross

2 perused, ending with 17-2 -- you have perused them and
3 looked at them?

4 A Yes.

5 MR. EATON: May we have the point of time when
6 he did peruse them?

7 MR. WASHOR: Well --

8 THE COURT: I think it was established on direct
9 when he did.

10 Q Is it not a fact, in those exhibits, the bank
11 received invoices without some delivery tickets?

12 A That is true.

13 Q And this was done during the course of time
14 that there was this contractual obligation that existed
15 between the bank, York Litho, and Sheldon Turner?

16 A That is true.

17 Q Is it a fact, sir, that there were times that
18 there were listed on the schedules names and necessary
19 identifications of accounts receivable, and in fact the
20 invoices didn't even accompany them?

21 A I couldn't say that, one way or the other.
22 I don't know.

23 Q Last but not least: The bank knew of the
24 FBI investigation in 1972?

25 A Correct.

1 101mmch

Martin-direct

2 BY MR. EATON:

3 Q Have you used another name regularly for the
4 last ten years?

5 A Yes, I have.

6 Q And what name is that?

7 A April Kelly.

8 Q Miss Kelly, do you recognize anybody seated in
9 this courtroom at the defense table?

10 A Yes, I do.

11 Q Could you point out who you know and identify
12 their names for the jury?

13 MR. WASHOR: I object. We concede that Miss
14 Kelly was employed by Mr. Turner. There is no secret.

15 MR. EATON: The other defendants also concede
16 the identification, I assume?

17 MR. KOGAN: Wait a minute.

18 That Miss Kelly knows that this is Mr. Fred
19 Herman? Yes, I will concede she knows this is Mr. Fred
20 Herman but that's all I stipulate to.

21 MR. EATON: That's all.

22 THE COURT: That's all you have been asked to
23 stipulate to.

24 MR. KOGAN: I've got to watch it, because
25 sometimes you don't know.

MR. WASHOR: She is a pretty witness, too.

THE COURT: And you, Mr. Rubin?

MR. RUBIN: Yes, I would concur with Mr. Kogan.

Q Now, which of these three defendants did you meet first, Miss Kelly?

A Mr. Sheldon Turner.

Q Does Mr. Sheldon Turner have a nickname?

A He's also called Dutch Turner.

Q Approximately when was it you first met Mr. Turner?

A The middle or late summer of 1971.

Q Did you have a conversation with him at that time?

A Yes, I did.

Q And could you tell the jury briefly what the subject of that conversation was?

MR. WASHOR: Your Honor, I object on the ground that it's without the scope of the indictment.

I will waive my objection, by the way. I will be happy to waive my objection if he would waive his objection about what occurred afterwards.

MR. EATON: Your Honor, I think I can clear this up.

Q Did you ever work for any of Sheldon Turner's

1 103 mmmch

Martin-direct

2 companies?

3 A Yes, I did.

4 Q When did you first go to work for any of
5 Sheldon Turner's companies?

6 A The day after Labor Day in 1971.

7 Q That was the day after your first mysterious
8 conversation?

9 MR. WASHOR: I object. There is nothing
10 mysterious about a conversation. That is facetious.

11 THE COURT: I think that is entirely improper.

12 MR. EATON: I apologize.

13 Q When you talked with Mr. Turner about going to
14 work for one of his companies, did Mr. Turner explain to
15 you what sort of work he wanted you to do?

16 MR. WASHOR: I will object and ask that the
17 time period be designated so we can determine whether it's
18 within the confines of the indictment.

19 THE COURT: Just after Labor Day. She went
20 to work for him just after Labor Day, 1971.

21 MR. WASHOR: Would the court bear with me for
22 a moment?

23 Is that the testimony?

24 THE WITNESS: Yes.

25 MR. WASHOR: Immaterial. November 16, '71 is the

1 104 mmhch

Martin-direct

2 first count.

3 I press the objection, your Honor.

4 MR. EATON: I am trying to determine what Miss
5 Kelly's duties were at this point.

6 THE COURT: He is not asking her for the
7 date of any conversations. He is asking her when she
8 was first employed, when she first met Mr. Turner, or
9 was employed. We have not got any conversations.

10 MR. WASHOR: I believe he asked what she did.
11 Now, actions as well as words can fall within the category.

12 THE COURT: It all depends. At this point it is
13 merely background. If it's something else, Mr. Eaton
14 may have to show some reason to allow it in. Now all we
15 have is background.

16 MR. KOGAN: Your Honor, one reason I am on my
17 feet now: Obviously, conversations apparently will be
18 gone into, and apparently there will be conversations that
19 Miss Kelly will testify about where perhaps one defendant
20 was present.

21 I wonder if your Honor should at this point, in
22 keeping with what we did at the beginning of the trial,
23 instruct the jury that conversations had outside the
24 presence of a particular defendant aren't admissible as
25 evidence against that particular defendant.

1 105 mmmch

Martin-direct

2 THE COURT: All right. I think that appropriate
3 and I think you remember yesterday, or the day before, I
4 had occasion to give you instructions like that, that where
5 there are conversations or acts in which one or the other
6 of the defendants is not present, you are to accept and re-
7 ceive it only with regard to the defendant who is present.

8 Q I am talking about the point in time when you
9 started to work, or just before, Labor Day of 1971.

10 Did Mr. Turner have any discussions with you
11 about what your duties would be when you went to work
12 for him?

13 A Yes, he did.

14 Q Did Mr. Turner mention to you any companies that
15 he owned or controlled?

16 A Well, Leigh Robins was the company he was
17 representing to me when he was talking to me about coming
18 to Leigh.

19 Q Leigh Robins is L-e-i-g-h Robins?

20 A Yes.

21 Q And at the time we are talking about, that
22 was the name of the company that Mr. Turner was running?

23 A Yes.

24 Q Did he tell you what the business of Leigh Robins
25 was at that ti

106 mmmch

Martin-direct

1
2 A I believe he told me it was a graphics house.

3 Q Did Mr. Turner tell you that he was negotiating
4 to acquire control of any other companies?

5 MR. WASHOR: Objection.

6 He's leading the witness.

7 THE COURT: I don't know yet, Mr. Eaton, but I
8 gather from what I sense that this is a critical witness,
9 and she is one that would be considered one by the defendants,
10 and I will not permit you to lead this witness.

11 Q Did Mr. Turner ever mention York Litho Corporation
12 of America?

13 A Yes, he did.

14 Q During these early conversations that you had
15 with Mr. Turner, what, if anything, did he say about York
16 Litho Corporation of America?

17 A He was in some way negotiating at the time to
18 purchase or acquire York Litho Corporation of America.

19 MR. WASHOR: I object and ask that it be stricken
20 from the record, on the grounds that this conversation
21 would have had to occur in August '71, outside the purview
22 of this indictment.

23 THE COURT: Well, I think that so far it's only
24 background material. He told her that he was in negotiation
25 for York Litho in August or September.

2 The objection is overruled.

3 Q What, particularly, did Mr. Turner tell you that
4 your duties would be with respect to employment by him?

5 A I was to set up and run an in-house advertising
6 agency for York Litho Corporation.

7 Q Did Mr. Turner tell you any name that he wanted
8 to give to that in-house advertising agency?

9 MR. WASHOR: Objection. Even though it's
10 background material, it's a bit unfair for him to testify.

11 THE COURT: I told Mr. Eaton that, and I am in-
12 sisting on it, Mr. Eaton. You cannot lead this witness.

13 MR. EATON: She testified about an in-house
14 advertising agency. I am just asking what the name was.

15 THE COURT: That is not how you ask a question.
16 You can ask a question that would require her to recollect
17 and give us the testimony.

18 Q Did Mr. Turner mention any name for this company?

19 A He and I together came up with the name, which
20 was The Adding Machine.

21 Q The Adding Machine?

22 A Yes.

23 Q You testified that you went to work for Mr.
24 Turner the day after Labor Day 1971.

25 Where, physically, did you first work?

1 108 mmmch

Martin-direct

2 A The Leigh Robins office, which was located in the
3 Terran Building on 36th Street in Miami, Florida.

4 Q How long did you continue working at that office?

5 A I believe I was there between a month and seven
6 weeks.

7 Q During that period of time, who else worked at the
8 Leigh Robins offices?

9 A We hired an art director for The Adding Machine.
10 Mr. Turner was at the offices for the first few weeks,
11 and I believe Mr. Richardson may have been there.

12 There were one or two salesmen whose names I
13 don't recall.

14 Q When you left those premises, where did you go to
15 work?

16 A I went to the York Litho plant.

17 Q Where was that located?

18 A I believe the address was Northwest 58th Court,
19 in Miami.

20 Q To your knowledge, was anyone left working at the
21 offices of Leigh Robins?

22 A Not to my knowledge.

23 Q While you were at the offices of Leigh Robins,
24 could you describe what work you and the other employees
25 did at the time at Leigh Robins?

1 109 mmmch

Martin-direct

2 A I don't know about the other employees, except 317
3 for the art director and myself, and we did almost nothing.

4 Q Now, when you got to York Litho Corporation of
5 America, who were the officers of York Litho?

6 A Mr. Turner, Mr. Richardson, and I believe Mr. Herman
7 was an officer, but I am not sure.

8 Q Approximately when did you first arrive and
9 start working at the York Litho premises?

10 A It must have been around the middle or end of
11 October 1971.

12 Q For how long did you continue working there?

13 A Until April 1972.

14 Q Could you describe to the jury the nature of the
15 business of York Litho?

16 MR. WASHOR: I will object, unless she was working
17 for York Litho.

18 Q During the period you were working there.

19 THE COURT: Are you still objecting?

20 MR. WASHOR: No.

21 THE COURT: You may answer.

22 A York Litho was engaged in the printing business.

23 Q What were your duties at York Litho when you
24 first arrived?

25 A We initially set up the shell for The Adding

1 112 mmhch

Martin-direct

2 Litho?

3 A From York Litho, no.

4 Q Were you familiar with how merchandise was
5 processed and printed at York Litho?

6 A Yes.

7 Q Are you familiar with how invoices and delivery
8 tickets were prepared?

9 A Yes.

10 Q Could you tell us what the practice would be if a
11 customer came in and wanted to order some merchandise
12 from York Litho?

13 MR. WASHOR: Objection, unless there is a
14 foundation established.

15 She testified she was a secretary.

16 THE COURT: She also testified that she was
17 familiar with the practice, in answer to the last two
18 questions that were asked.

19 MR. WASHOR: "Familiar with practice" is
20 conclusion.

21 The foundation is, as demonstrated by the witness,
22 that is a conclusion.

23 THE COURT: She says she is familiar with the prac-
24 tice.

25 If you want a voir dire as to whether she was,

1 120 mmmch

Martin-direct

2 testified you weren't a business-getter for the company.

3 When business did come to the company, who would
4 receive the orders from the customers?

5 A Well, there were a couple of ways. An order
6 could come through the mail; an order could come directly
7 from Mr. Turner's contact with the client, or one of the
8 other salesmen's contact with the client, and they would
9 then bring it back to York Litho.

10 At that time, there were really two types of
11 jobs. There could be a job that was a frequently-run job
12 by York Litho that was just going to be another hundred
13 thousand copies of something they had been running, at which
14 time there was no need for art work or copy -- it was a
15 routine job; they had already plates to run the job, and
16 they pulled out the appropriate plates.

17 If a client came in and needed a brochure or
18 magazine or booklet or whatever written or conceived from
19 the beginning, or if he had a rough draft and just needed
20 it laid out nicely in art form, then it came into The
21 Adding Machine.

22 Q When you say it came into The Adding Machine, did
23 any officer bring it into The Adding Machine?

24 A Mr. Turner usually brought them in if one of the
25 other salesmen didn't.

1 124 mmmch

Martin-direct

2 A Yes.

3 Q Who normally made entries on that type of a form?

4 A Debbie Sutherland.

5 Q Did you have occasion to replace Miss Sutherland
6 on certain days?

7 A Yes, I did.

8 Q As a result, were you familiar with that form
9 in general of which 1-A is an example?

10 A Yes, I am.

11 Q Could you explain what the title of 1-A is and
12 how the document was produced?

13 A Well, the actual title is "The Schedule of Assigned
14 Receivables." What it is is a list of invoices for jobs
15 performed by York Litho and billed by York Litho, a list
16 that was totaled up on these sheets and sent to the Chemical
17 Bank in New York.

18 Q Is that document, Government's Exhibit 1-A,
19 an original or a carbon copy?

20 A It's a carbon copy.

21 Q What document was sent to the Chemical Bank?

22 A The original copy of this, of this schedule.

23 Q Where was this carbon copy kept?

24 A It was kept at York Litho.

25 Q If you could find another type of document that

062

1 125 mmmch

Martin-direct

2 is different from the yellow carbon schedules, could you
3 tell us about that?

4 A Document 1-1-A is a carbon copy of a York Litho
5 invoice.

6 Q Normally, who typed the invoices at York Litho?

7 A I believe, Debbie Sutherland.

8 Q Did you ever observe who gave her the information
9 to type on those invoices?

10 A No, I don't think I observed it.

11 Q Where did Debbie Sutherland work?

12 A She had a desk in Mr. Herman's office.

13 Q Would it be fair to say that she was primarily
14 Mr. Herman's secretary?

15 A Yes.

16 Q Now, again, that copy that you have, is that a
17 carbon or an original?

18 A This is a carbon.

19 Q What would be done with the original invoice?

20 A The original would be mailed to the client
21 who was being billed.

22 Q What would be done with a carbon copy such as
23 the one you have in your hand?

24 A One would be kept by York Litho; one would be
25 attached to the receivables schedule on which it was listed

1 126 mmch

Martin-direct

2 and mailed to Chemical Bank.

3 Q Could you find any other types of documents
4 which are recurrent throughout that stack of documents?

5 A Yes. The document 1-2-A, which is a York Litho
6 delivery receipt.

7 Q Is that an original or a copy?

8 A This looks like an original.

9 Q Where would the original be kept?

10 A I am not positive if the original or the copy
11 went to Chemical Bank. One was retained by York Litho
12 and one went to the Chemical Bank, attached to the invoice
13 that it was reflecting delivery of.

14 MR. EATON: Your Honor, at this time I renew
15 my offer of this stack of documents which are the same as
16 the ones I read over when Mr. Breslow was on the stand.

17 MR. WASHOR: Objection. She hasn't identified
18 each and every single document, your Honor.

19 MR. EATON: If that is the objection, I guess
20 we can go through all of them.

21 MR. WASHOR: That is not the only objection.
22 I renew all other objections.

23 MR. KOGAN: We join in those objections.

24 MR. RUBIN: As does Mr. Richardson.

25 MR. WASHOR: May I also object on the grounds

1 135 mmch

Martin-direct

2 MR. WASHOR: I withdraw the objection then.

3 Q Do you have the question?

4 A Would you repeat it, please?

5 Q Tell the jury when the invoice was prepared in
6 relation to the time the order came in to York Litho.

7 A The invoice was prepared when the order was
8 received.

9 Q That would be typed up by Debbie Sutherland,
10 as you just testified?

11 A Yes.

12 Q And not when the merchandise --

13 MR. WASHOR: Objection. He is testifying.

14 THE COURT: I think that is right.

15 Q Now, after a few invoices were typed up by
16 Debbie Sutherland, were any delivery tickets prepared?

17 MR. WASHOR: I object.

18 I apologize for the continual objections, but
19 I think it's unfair.

20 THE COURT: We are going to take a ten-minute
21 recess.

22 The objection is sustained.

23 (Recess)
24
25

1 136 mmch Martin-direct

2 A P R I L K O L I N O W S K I M A R T I N ,

3 resumed.

4 DIRECT EXAMINATION CONTINUED

5 BY MR. EATON:

6 Q You testified just before the recess about when
7 the invoices were prepared.

8 Will you tell the jury when delivery tickets
9 were prepared?

10 A They were prepared at the time of the typing of
11 the invoice.

12 Q And when in relation to the placing of the
13 order?

14 A That was also at the same time that the order
15 was received.

16 Q Now, did you observe these delivery tickets
17 being filled out?

18 A Yes, I did.

19 Q Did you see any officers at York Litho ever fill
20 out any of these delivery tickets?

21 A Yes, I did.

22 Q In particular, which officers did you personally
23 observe filling out delivery tickets?

24 A Mr. Richardson and Mr. Herman.

25 Q Could you tell the jury exactly what you observed

1 137 mmunch

Martin-direct

340

2 when you saw Mr. Herman and Mr. Richardson filling out
3 delivery tickets?

4 A The stack of tickets or group of tickets being
5 prepared at that time would be filled out to match up
6 with the invoices. And then a signature was applied with
7 various pens, pencils, Flair felt-tip pens that would
8 be available.

9 Q Did you yourself ever forge a signature on
10 any of these delivery tickets?

11 A Yes, I did.

12 Q Tell the jury the circumstances under which you
13 forged signatures on these delivery tickets.

14 MR. WASHOR: Your Honor, at this time he's
15 asking about the commission of a crime.

16 MR. EATON: It's mentioned in the indictment.

17 MR. WASHOR: But he is asking the witness about
18 her committing a crime.

19 As an officer of the Court, I just bring it to
20 your attention and in the presence of teh jury, I don't
21 know if you would legally tolerate any such statement.

22 THE COURT: Well, does Miss Kelly have counsel
23 here?

24 MR. EATON: I think I can clear it up with one
25 more question. I will withdraw the last question I asked

067

1 138 mmch Martin-direct

2 for the moment.

3 Q At the time you were forging delivery tickets
4 and still working at Litho Corporation, did you talk
5 with any law enforcement official?

6 A Yes, I did.

7 MR. WASHOR: Now I object and ask for a side
8 bar or legal argument in the absence of the jury on the
9 question of agency, the admissibility of any and all
10 statements and conversations.

11 THE COURT: I am going to deny that. I won't
12 listen to any.

13 That objection is overruled.

14 Q Which law enforcement agency did you speak to?

15 A The Federal Bureau of Investigation.

16 Q Which agent, in the first instance, did you speak
17 to?

18 A Agent Charles Bell, Miami.

19 Q Did you tell him that you were forging delivery
20 tickets at York Litho?

21 A I did.

22 Q What did Agent Bell say to you?

23 MR. WASHOR: Objection; hearsay.

24 THE COURT: That objection is sustained.

25 In any event, she told Agent Bell what she was

1 139 mmunch

Martin-direct

2 doing.

3 Q And after your first conversation with Agent
4 Bell, did you continue to work at York Litho for a period
5 of time?

6 A Yes, I did.

7 Q And did you continue to forge delivery tickets
8 on occasion?

9 A Yes, I did.

10 Q Did you advise Agent Bell about any of these
11 subsequent forgeries?

12 A Yes, I did.

13 Q Now, could you explain to us the circumstances
14 under which you forged delivery tickets?

15 A The first time that I can remember was at the
16 direction of Mr. Richardson. I was called into his office
17 and we were the only two people in the office.

18 He closed the door and he explained to me -- he
19 had two stacks of invoices which he called the good ones
20 and the bad ones --

21 MR. WASHOR: Excuse me, would it be appropriate
22 to get a time or at least a reasonable approximation of
23 time?

24 Q To the best of your recollection, when was this
25 conversation with Mr. Richardson?

1 140 mmmch

Martin-direct

2 A I believe it would have been in January or
3 February of 1972.

4 Q And was anyone else present at this conversation?

5 A No.

6 Q Where, physically, did this conversation take
7 place?

8 A In Mr. Richardson's office.

9 Q Can you continue telling us what you said to
10 Mr. Richardson and what Mr. Richardson said to you?

11 A He explained to me that it was the practice
12 of York Litho to take all invoices and type them up
13 as an order was received and that these would then be
14 matched with the delivery slip and sent to the Chemical
15 Bank, so that the Chemical Bank would advance monies on
16 these receivables.

17 He explained to me that what this did in actuality
18 was get York money to work with perhaps 30 or 60 days in
19 advance of the time it normally would receive the money;
20 and that the other stack was the bad stack and that was
21 fictitious jobs which were also matched up -- excuse me,
22 the invoices were also matched up with delivery slips which
23 were signed, and these were registered on the receivable
24 sheets that went to Chemical Bank.

25 Q During that meeting with Mr. Richardson, did you

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1 141 mmmch

Martin-direct

2 forge any signatures on those stacks of delivery tickets?

3 A Yes, I did.

4 Q Did any other officer of the company ever
5 discuss forging delivery tickets with you?

6 A Mr. Turner explained to me the process.

7 MR. WASHOR: Your Honor, could we get a time?

8 Q To the best of your recollection, when did this
9 conversation with Mr. Turner take place?

10 A This would be almost simultaneously, probably
11 within five days of the first conversation with Mr.
12 Richardson regarding the invoices and delivery tickets.

13 Q Do you recall where, physically, this conver-
14 sation took place?

15 A No, I don't.

16 Q Do you recall whether anyone else was present
17 besides you and Mr. Turner?

18 A No one else was present.

19 Q Tell the jury, to the best of your recollection,
20 what Mr. Turner said to you and what you said to Mr.
21 Turner.

22 MR. WASHOR: Without interrupting, I will object
23 on the grounds that if she had been in contact with the
24 FBI, I would like a hearing outside the presence of the
25 jury before any statements would be related in the course

1 142 mmuch Martin-direct

2 of this trial.

3 THE COURT: I am afraid on that ground I am not
4 going to allow it.

5 Q Do you recall, by the way, whether this
6 conversation with Mr. Turner occurred before or after you
7 first talked with the FBI? Do you recall?

8 A I believe it took place before I talked to Mr.
9 Bell.

10 Q Could you tell us what Mr. Turner said to you
11 and what you said to Mr. Turner on that occasion?

12 A I don't remember the exact words. However, he
13 explained to me the system was to speed up the receipt
14 of money from Chemical Bank by supplying delivery tickets
15 to invoices prior to their having been shipped to a
16 client, again so that money would come into York.

17 He advised me the Chemical Bank knew this was
18 happening, "and they were playing ball," were his exact
19 words.

20 MR. WASHOR: I withdraw my objection.

21 Q Did you continue to forge delivery tickets after
22 this conversation with Mr. Turner?

23 A Yes.

24 Q And did you continue to observe Mr. Richardson
25 and Mr. Herman forging delivery tickets?

1 143 mmmch

Martin-direct

2 A I don't believe I again observed Mr. Richardson.
3 I did upon occasion observe Mr. Herman.

4 Q Do you recall how much later you observed Mr.
5 Herman doing this?

6 A Occasionally, through the rest of the time that
7 I worked at York.

8 Q Did you observe delivery tickets being forged
9 by Mr. Herman, Mr. Richardson and yourself up until you
10 left in April 1972?

11 A Yes.

12 Q You testified earlier that these three types
13 of documents, the schedule, the invoice and the delivery
14 ticket, were mailed up to Chemical Bank.

15 Could you tell the jury the procedure that was
16 followed, starting right at the point when the invoices
17 and the delivery tickets had been prepared for any particular
18 order?

19 A When the invoice and delivery ticket were prepared,
20 they were matched up together, and I believe the appropriate
21 invoice stapled to the appropriate delivery ticket.
22 These were gathered together in a stack. They were then
23 given to Miss Sutherland, who then made a handwritten list
24 on a sheet.

25 Q That is the schedule?

149 mmuch

Martin-direct

1
2 Approximately what is the price shown for each
3 Cedars of Lebanon brochure on that invoice?

4 A 5,000 brochures, total price, \$4,187.

5 Q In other words, over 80¢ per brochure?

6 A Yes.

7 Q In your experience, would a brochure of that
8 price require art work at York Litho?

9 A Any brochure at any price would require art
10 work.

11 Q Do you have any independent recollection of any
12 brochures being prepared for Cedars of Lebanon at York
13 Litho when you were there?

14 A No, I don't.

15 Q Did you ever keep any documents relating to
16 customers? Did you ever keep any invoices or delivery
17 tickets in your desk?

18 A Yes, I did.

19 Q Do you recall the customers whose names were on
20 those records?

21 A I can only recall one that I could swear to,
22 and that is The Adding Machine.

23 Q The Adding Machine.

24 Do you recall approximately how many other
25 companies were reflected on these documents which you kept

1 159 mmmch

Martin-cross

2 MR. EATON: At another cross-examination, Mr.
3 Washor implied that Mr. Turner had cooperated of his own
4 free will in telling Mr. Maselow. This statement relates
5 to telling the bank.

6 MR. WASHOR: Assuming no question of credibility
7 in the first part of April, how could this ever affect what
8 he said later on?

9 THE COURT: I frankly don't see what you are
10 objecting to.

11 MR. WASHOR: I withdraw the objection.

12 THE COURT: All right, Mr. Washor.

13 MR. WASHOR: Could I ask for two minutes? I
14 want the two minutes to discuss a few aspects with co-
15 counsel.

16 THE COURT: Of course.

17 (Pause)

18 CROSS-EXAMINATION

19 BY MR. WASHOR:

20 MR. WASHOR: Can we have the Leigh Robins credit
21 control card?

22 MR. EATON: You are talking about the bank records,
23 the 200 series?

24 MR. WASHOR: Is this in evidence, by the way, 209?

25 MR. EATON: No, it was not offered.

1 160 mmch

Martin-cross

2 MR. WASHOR: A foundation has been established
3 for this. Can I offer this document, Government's
4 Exhibit 209 in evidence?

5 MR. EATON: That is all right with me, with the
6 understanding that this is the bank record, as was
7 testified. It's compiled on the basis of what the bank
8 knew at the time.

9 I have no objection.

10 (Government's Exhibit No. 209 was received in
11 evidence.)

12 MR. WASHOR: Since it's a document in evidence,
13 and since the documents of almost identical or similar
14 nature have been explained and the notations have been
15 explained, would it be appropriate for the Court to allow
16 counsel to read one particular entry?

17 MR. EATON: No objection.

18 MR. WASHOR: Thank you.

19 This is the account, Government's Exhibit 209,
20 Leigh Robins, Inc., November 16, 1971, Invoice No. 16225,
21 a purchase in the amount of \$4,187.

22 If I can interrupt for a moment --

23 Q Miss Kelly, you have testified and identified a
24 particular Government's exhibit as an invoice, more
25 particularly --

1 168 mmch

Martin-cross

2 tickets to sign.

3 Q But you also testified having knowledge of the
4 way the business was run, that a delivery ticket and an
5 invoice were always submitted with the schedule and sent
6 to the bank in New York; am I correct?

7 A Yes.

8 Q And you testified on direct knowledge based on
9 the knowledge of the business that this occurred in each
10 and every instance; am I correct?

11 A Yes.

12 Q And you know that for a fact?

13 A That is what I testified to, yes.

14 Q You know that members of the bank have testified
15 they received schedules without delivery tickets, and
16 they received schedules on occasion without invoices?

17 A I believe that.

18 Q Well then, can you reconcile the fact that each
19 and every time you claim delivery tickets and invoices
20 accompanied a schedule to the bank?

21 A If I said each and every time? I will say in
22 most instances, and most of the ones I was familiar with,
23 there was a delivery ticket and an invoice to back every
24 entry on the sheet of receivables.

25 Q Did anybody take the time out -- since you know

1 174 mmmch

Martin-cross

2 She said she didn't have any conversation with Mr. Naitov.

3 MR. EATON: And then the next question was about
4 Mr. Kavanaugh, and, if you recall, we didn't go into a
5 conversation which Mr. Kavanaugh had with Miss Kelly.

6 Mr. Washor wants to waive that objection, we might
7 get the full picture of Mr. Kavanaugh's knowledge, but we
8 can't get it through just having what Mr. Turner said
9 about it.

10 THE COURT: I agree with that.

11 Q In each and every instance, Miss Kelly, invoices
12 were prepared after orders were received; am I correct?

13 A I couldn't testify in each and every instance
14 because I certainly can't be aware of each and every order.

15 Q Miss Kelly, you have testified on direct exam-
16 ination that you had a good working knowledge and were
17 totally familiar with all the business practices of York
18 Litho Corporation; am I right?

19 A I don't believe that was the question. I believe
20 we are trying to establish if I knew what happened if an
21 order came in to the plant, where it went, relating to
22 several people's jobs, how it was expedited to the finished
23 job.

24 Q You just knew the cursory procedure that was
25 involved?

1 175 mmch

Martin-cross

2 A Again, I think that is on the other end of the
3 scale from what I testified to. But I assume -- I would
4 have to assume -- I had a cursory knowledge.

5 MR. WASHOR: I move to strike.

6 THE COURT: It goes to weight; it has nothing
7 to do with admissibility.

8 Q Generally speaking, from your knowledge, cursory
9 or not, from the workings of the business, were invoices
10 prepared after the orders were received?

11 A Yes.

12 Q Do you know of an instance where an invoice was
13 prepared without an order being received?

14 A I don't believe so.

15 Q Miss Kelly, then each and every invoice, according
16 to your knowledge -- only from what you know -- that was
17 forwarded to the bank were invoices made up by York Litho
18 after having received orders from individual customers?

19 MR. EATON: She says her knowledge can't include
20 each and every invoice. That is why we had other witnesses.

21 MR. WASHOR: That goes to weight.

22 THE COURT: You keep saying "each and every,"
23 and she keeps indicating that she doesn't know "each and
24 every." So make it more general.

25 Q As far as you know, there was no particular

1 176 mmmch

Martin-cross

2 instance that you can recall where an invoice was prepared
3 without first having an order come through?

4 A As far as I know.

5 Q As far as you know.

6 There were no invoices that were sent to the bank
7 that were not prepared after first having had and received
8 an order?

9 MR. EATON: I object, in view of the witness'
10 testimony about how the orders came in.

11 MR. WASHOR: As far as she knows.

12 MR. EATON: She knows about certain companies,
13 such as The Adding Machine, but she can't testify she knows
14 about every order.

15 THE COURT: Maybe I am getting confused. I thought
16 she testified in some instances the invoice was sent
17 before.

18 MR. WASHOR: There is not one invoice that she
19 has knowledge of that was ever sent to the bank before an
20 order came in from a customer.

21 MR. EATON: I agree with that. Her testimony was
22 that she observed the practice immediately after an order
23 came in that the invoice be prepared.

24 THE COURT: Well, I don't see what the objection
25 is.

1 177 mmch

Martin-cross

2 MR. EATON: Assuming she knows of all orders,
3 and, of course, if there is a nonexistent order, she wasn't
4 there.

5 MR. WASHOR: That is an unfair statement.

6 THE COURT: I don't think so. Miss Kelly has
7 made it clear she doesn't know of all the orders, and
8 certainly she can't testify to all of them.

9 MR. WASHOR: Just within her knowledge.

10 Q To your knowledge, there wasn't a single invoice
11 prepared without an order being put in?

12 A I can't testify that one hadn't been; in the
13 same way as I testified, to my knowledge, certain things
14 didn't go through the company, I would have to concede
15 there is a possibility they did, and again I can't swear
16 that every one that I was familiar with had an order.

17 In other words, I don't know if they had orders
18 for the invoices, but I can't say for sure they didn't.

19 Q You can't say there is one single invoice, to
20 your knowledge, that was false or forged or phony, can you?

21 A I couldn't swear to it, no.

22 Q When you first met the FBI, did you not tell
23 the FBI about Leigh Robins?

24 A I don't recall the exact conversation.

25 Q Did you speak to them about Leigh Robins?

1 178 mnmch

Martin-cross

2 A I assume I could have. I can't swear to that.
3 I couldn't swear that was one of the topics.

4 Q Didn't you tell the FBI that Leigh Robins and
5 all the invoices were phony?

6 A No, I didn't.

7 Q You didn't tell them anything about Leigh Robins?

8 A I told them what they asked me, which was:
9 Was there equipment to do work at Leigh Robins, to my
10 knowledge? Was there anything at Leigh Robins besides
11 offices? And I said, "No, not to my knowledge."

12 Again they asked, to my knowledge, had several
13 of the jobs been done, and I told them I had not seen
14 them, I couldn't say they had been done.

15 Q Didn't you tell the FBI that there was one
16 particular job bearing an amount of \$4,187, which you believed
17 to be phony or false, the one that you testified to on
18 direct examination?

19 MR. EATON: This is not inconsistent.

20 MR. WASHOR: I am not claiming it is inconsistent.

21 THE COURT: Then I don't understand the reason
22 for the question. The question is out of order.

23 Q Miss Kelly, the transaction involving \$4,187 as
24 reflected in Government's Exhibit 1-3-A, as you sit here
25 now, is it a phony or false transaction?

1 179 mmmch

Martin-cross

2 A I would be unable to swear to either case.

3 MR. EATON: I object. It is in effect asking
4 for a conclusion. The witness can only testify what she
5 observed and what she knows. She can't reach the ultimate
6 conclusion.

7 MR. WASHOR: That constitutes a connection that
8 she hasn't identified any item as being false or fraudulent.

9 MR. EATON: She testified to what she has testified
10 to.

11 THE COURT: Yes. And the point is, Mr. Washor,
12 as I indicated to you before, you can't have this witness
13 make conclusions. If you are going to show anything, do
14 so.

15 She has testified to various things: She signed
16 her name and did various other things, or signed other
17 people's names.

18 MR. WASHOR: I will go into another area.

19 Q Miss Kelly, you testified on direct examination
20 that you did almost nothing when you were involved with
21 The Adding Machine.

22 A Yes.

23 Q Can you see the color of these papers from where
24 you are?

25 A Yes, I do.

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2 A Yes, it was.

3 Q Now, Miss Kelly, on February 22, 1972, you stole
4 certain documents from York Litho and turned them over to the
5 FBI? Am I correct?

6 A Yes.

7 Q The documents that you stole and turned over to the
8 FBI were invoices, schedules and delivery tickets?

9 A Yes.

10 Q Prior to February 22, 1972, did you not have in
11 your possession as you testified yesterday a secret file
12 containing forged delivery tickets?

13 A I had a set of files in my desk with some delivery
14 tickets in them.

15 Q And they were forged delivery tickets?

16 A That is what I believed.

17 Q Didn't you make out the forgeries?

18 A No, I didn't, not the ones in the files in my desk.
19 The material was brought to me to be put in these files.

20 Q Did you see who made them out?

21 A No, I didn't.

22 Q Did someone tell you that they were forgeries?

23 A No, nobody told me that.

24 Q You testified yesterday and you indicated unequi-
25 vocally and that that secret file contained forged delivery

1 mmcg 12

Martin-cross

402

2 tickets? Is that correct?

3 A I testified it contained what I thought were forged
4 delivery tickets.

5 Q If you didn't have anyone tell you they were
6 forged documents and you yourself did not forge the documents
7 and if you did not see anyone forge the documents, why do you
8 or how do you come to the conclusion that they were forged?

9 A Well, one of them had the business address as my
10 apartment in Miami and had a signed delivery receipt. I
11 believe the name was Gonzales. There was no one living in
12 my apartment by that name.

13 Q Now, Miss Kelly, you had a cursory understanding
14 of the business of York Litho?

15 A I think we established that yesterday, yes.

16 Q By agreement with yourself and Mr. Turner your home
17 address was used as the address of the Adding Machine Company?

18 A No.

19 Q Wasn't it set up?

20 A It may have been set up using my home address which
21 would be separate from the York address.

22 Q Is there anyway you can tell from looking at that
23 delivery ticket whether or not goods were delivered else-
24 where and all the caption of the delivery tickets represents
25 is the name and address of the corporation that is financially

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mmcg 13

Martin-cross

403

responsible for the goods

MR. EATON: Objection.

THE COURT: Objection sustained.

Q Do you know whether or not the delivery ticket that you are referring to drew your suspicion of improper, more particularly the Adding Machine Company with your address, whether or not the goods in question were picked up by a gentleman by the name of Ed Kohaus?

A I don't know that to be true or not.

Q Can you as you sit here deny that as a fact?

A I do not recall the merchandise being picked up or delivered. I don't recall the job.

Q The fact that you do not recall the job does not mean that it was not in existence?

MR. EATON: Objection.

THE COURT: Objection sustained. Don't argue with the witness.

Q Well, Miss Kelly, accepting your suspicion that you had control of what you believe to be forged documents, can you explain to the jury why you stole documents that you have not identified in this court as being improper and failed to steal what you believed to be forged documents, and turned them over to the agents?

MR. EATON: Objection.

086

1 mmcg 18

Martin-cross

2 A Because they were done at the direction of Agent
3 Bell of the FBI after my initial meeting with him.

4 Q In other words, the forgeries committed by you at
5 a time when the bank and Mr. Kavanaugh were on the premises,
6 and you in no uncertain words helped and induced the commission
7 of a crime? Am I correct? As an agent of the Federal Bureau
8 of Investigation?

9 MR. EATON: Objection, your Honor.

10 THE COURT: Will you reframe the question. I am
11 not sure that you can designate her as a government agent.

12 MR. EATON: I object to the word induced. There is
13 no proof that Miss Kelly induced anybody.

14 THE COURT: He can ask it and you can counter it on
15 direct.

16 Q Miss Kelly, would it be fair to say that there were
17 no forgeries committed by you prior to your being involved
18 as an agent for the FBI? Am I correct?

19 A I could not say for sure there were not.

20 Q At this particular point as you sit here you do not
21 know whether or not you committed forgeries before you spoke
22 to the FBI on February 15, 1972?

23 A No, I am not positive.

24 Q Do you know when you allegedly committed forgeries?

25 A Late in the year of 1971, I think, would have been

1 mmcg 19

Martin-cross

2 the earliest. I could not tell you.

3 Q December?

4 A Possibly.

5 Q November?

6 A Possibly.

7 Q When did you first speak to the FBI?

8 A My recollection was it was right after the first of
9 the year. The FBI report reflects the first meeting February
10 15, 1972.

11 Q Is it your testimony that you first met with the
12 FBI in the beginning of January, 1972?

13 A It is my recollection that the meeting took place
14 sometime in January. That is my recollection, until I saw
15 the FBI files, and the first meeting, according to the files,
16 is February 15.

17 Q Does that refresh your recollection as to when you
18 had the first meeting?

19 A No, my recollection is still earlier in the year,
20 but the file reflects February 15, so I must say it must have
21 taken place then, but that is not my recollection.

22 Q What is the recollection of the time you first
23 committed the first forgery?

24 A The end of 1971, but I don't know how close to the
25 end -- December.

A Yes.

Q You knew you were lying when you forged the documents?

A Yes.

Q When you stole the invoices and bills of lading and so forth, that is a lie, too, isn't it?

A Yes.

Q And you knew that was wrong at that time?

A Yes.

Q But you are telling the truth now?

A Yes.

Q Now, how big was the part of the plant where the printing presses were located?

A That was the main open area.

Q Could you fit that plant into this courtroom?

A The open area where the presses were could fit in this courtroom, I believe.

Q How many presses were there?

A I believe four, but I think one of them was very rarely used.

Q Do you know the names of the presses?

A Well, there were about four color presses.

Q Do you know the name of the company that manufactured the four color presses?

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2 A To my recollection they did not.

3 Q You mentioned that you talked to a friend of yours
4 in the United States Attorney's office in Florida. Do you
5 recall when you talked to her about this case?

6 A This would have been right again around the end of
7 the year '71, the very beginning of '72.

8 Q You mentioned that you supplied the FBI with certain
9 York Litho documents while you were still working at York
10 Litho. Were those original documents or photocopies?

11 A They were photocopies.

12 Q Did the originals remain at the York Litho premises?

13 A Yes, they did.

14 Q Did you steal any documents from York Litho's re-
15 cords?

16 A I don't believe I ever took an original document
17 out.

18 MR. WASHOR: I object. Does not make any difference
19 whether it is original or not; it is private property.

20 THE COURT: She said she took Xerox copies.

21 Q Did anyone associated with Chemical Bank ever tell
22 you that they were playing ball or acquiescing in pre-billing?

23 MR. WASHOR: Objection, on the grounds it is not
24 proper redirect examination.

25 THE COURT: It is proper redirect examination,

because the testimony indicated that some such statement was told to her by Mr. Turner.

MR. WASHOR: The question asked by the prosecution is, was she ever told; we didn't establish she had a relationship with the bank.

THE COURT: You opened the door. Objection overruled.

Q Did Mr. Kavanaugh ever say that the bank was acquiescing in pre-billing?

A No, he did not.

Q Did anyone associated with the bank ever say that to you?

A Not to me.

Q Did anyone at the bank ever say to you that they were changing from a pre-billing system to a true billing system?

A No.

Q Did any officer of York Litho Corporation ever tell you that the company was changing from a pre-billing system to a true billing system?

A No.

Q You mentioned that the Adding Machine invoices were made out to an address which was, in fact, your residence, apartment residence at that time?

A Yes.

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2 Q Could you tell the jury the circumstances under
3 which you first discovered that that address had been used on
4 that invoice?

5 A I received a bank verification. I don't know if it
6 was by Mr. Kavanaugh while he was at work there or the
7 Chemical Bank, that there was a receivable, asked for a
8 verification if it was a receivable of York Litho.

9 Q Where did you receive that communication?

10 A At my apartment address.

11 Q And after you received it did you discuss that
12 account receivable with Mr. Turner?

13 A Yes, I did.

14 Q Could you describe to the jury where you discussed
15 that with Mr. Turner and what he said and what you said?

16 A At his office. I brought him in the material I
17 had received, which was a copy of the invoice and a bank
18 verification -- I don't know what it is called. I told him
19 I received it in my apartment. He says not to worry about
20 it, he would take care of it, and he took it, and I never saw
21 it again.

22 Q Did you ever authorize him to use your home address
23 for the Adding Machine?

24 A I believe what Mr. Washor was trying to say before,
25 it might be that originally the Adding Machine was going to

mmcg 44

Martin-redirect/recross

my apartment address, I don't recall, but it may be on the original document. To get the Adding Machine license.

Q Did you ever authorize Mr. Turner or anybody at York Litho to use your home address for billing and invoice reflecting an order by the Adding Machine to York Litho?

A No, I didn't.

Q You were asked about Dave Manly, and you testified that he did work at one time for Leigh Robins. Do you recall when he stopped working for Leigh Robins?

A I was under the impression he was gone --

MR. WASHOR: Objection. Her impressions are not testimony.

THE COURT: If that is the best you can do, I will allow it.

A Mr. Manly never seemed to be around at all after my first week or week and a half with York Litho. I thought he was gone from the company.

MR. EATON: I have no further questions.

RECROSS-EXAMINATION

BY MR. WASHOR:

Q Who paid the rent for this apartment?

A I did.

Q Mr. Turner didn't pay the rent?

A No.

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mmcg 57

Driggers-direct

440

Q Where is your office?

A In Tampa, Florida.

Q Was that where your office was in 1971 and 1972?

A Yes, sir.

Q Do you know the defendant Sheldon Turner?

A Yes, sir.

MR. EATON: Is the identification conceded?

Q Do you see him here in the courtroom?

A Yes, sir, he is the second man from the end of the table wearing the blue suit.

MR. EATON: Your Honor, may the record reflect that the witness has identified Mr. Turner.

Q Do you recall approximately when you first met Mr. Turner?

A It was approximately November 1 of 1971.

Q Before you first met Mr. Turner did you have a conversation with any employee of York Litho Corporation of America?

A Yes, sir.

Q Which employee was that?

A Miss April Kelly.

Q Had you known her before that conversation?

A Yes, sir.

Q When you first met Mr. Turner could you tell us

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briefly what Mr. Turner said to you?

A At the time that I first met Mr. Turner?

Q Yes.

A He advised me that a camera had been stolen from his private office at his company and that the camera had belonged to his father-in-law, and although the value itself was not that great, it had a great sentimental value, and he wanted the camera recovered, he wanted to find out who had, in fact, stolen the camera.

Q Did he retain you to conduct an investigation about that stolen camera?

A Yes.

Q Did you conduct an investigation about that stolen camera?

A Yes, sir.

Q Did you meet again with Mr. Turner after you had completed that investigation?

A Yes, sir.

MR. WASHOR: May I ask for an offer of proof at the side bar to see what this has to do with the indictment? I don't even see the word "camera" mentioned in any of the 19 counts.

THE COURT: I don't think you need a side bar, but get to the point.

1 mmcg 56 Driggers-direct 446
2 Q Could you tell the court and jury what Mr. Turner
3 said to you on that occasion as best you can recall?

4 A I returned and made my report to Mr. Turner in-
5 volving the results of my trip to New York and to Pennsylvania,
6 and Mr. Turner --

7 MR. WASHOR: Excuse me. I have to object. I have
8 not heard any testimony to date that there was anything to do
9 with New York and P nnsylvania. As I understood the gentle-
10 man's testimony, one or two or three days after November 1,
11 1974, the camera incident was terminated.

12 THE COURT: That is not the testimony. The testi-
13 mony was that he was in New York and he returned from New
14 York at the end of November and he had a conversation with
15 Mr. Turner. That is what he is testifying about now.

16 Q Can you tell us what Mr. Turner said to you?

17 A Yes, sir. He complimented me on the results of the
18 trip to New York and to Pennsylvania, which had been at his
19 request, and he told me that the information which I reported
20 to him was accurate an he stated that he had screwed the
21 Chemical Bank at this particular point of about approximately
22 half a million dollars, and he corrected that by saying,
23 "Well, in essence, I now owe the Chemical Bank about half a
24 million dollars and before I am through it would be probably
25 upward toward a million dollars."

mmcg 57

Q Did Mr. Turner tell you anything else on that subject at that time?

A No, sir. No. I am sorry. He did say that he felt that his dealings with the bank was such and that his activities with the bank involving the -- and again I am quoting -- screwing the bank -- was somewhat concealed, and he said he had no reason to believe that the bank would ever suspect that there was any problem, but in the event that there was, he had covered himself so well and he didn't worry about it, and at that time he concluded any further mention of the bank.

Q Did you ever see Mr. Turner handle large amounts of currency?

MR. WASHOR: Your Honor, I will object. I don't see the relevance to the issues before the court.

MR. EATON: Subject to connection to the next conversation, your Honor.

THE COURT: All right.

A Yes. By the term large amounts of currency, I saw him handle amounts of money that I know to be in excess of a thousand dollars and in \$100 bills. The reason for this is because my fee was usually paid in \$100 bills, and I think on only one or perhaps two occasions he made any payment by check. So I did see him to the credenza behind his desk take

mmcg 58

Driggers-direct

1 what appears to be a stack of approximately a quarter of an
2 inch in height on one occasion and remove from this stack
3 several hundred dollar bills. On other occasions I saw him
4 remove a large package from his wallet, which perhaps was a
5 quarter to half an inch thick, but I don't know what demon-
6 inations these bills were in.
7

8 MR. WASHOR: Your Honor, I move to strike that as
9 being prejudicial as there is no impropriety in the inference
10 that a man would have money, cash. It is highly prejudicial
11 and it is offered for the purposes of drawing unreasonable
12 inferences.

13 MR. EATON: I have not asked about the connection
14 between this money and the Chemical Bank.

15 THE COURT: Then connect it.

16 Q Did Mr. Turner ever discuss any relationship between
17 the Chemical Bank and his reserves of cash?

18 MR. WASHOR: I object. He is leading the witness.

19 THE COURT: I think you are right; it is leading,
20 Mr. Eaton.

21 Q Did you have any further conversation with Mr.
22 Turner about the subject of currency?

23 A Yes, sir. On a later occasion -- the exact date
24 I don't recall --

25 MR. WASHOR: Can we get the approximate date.

mmcg 59

Driggers-direct

THE WITNESS: The approximate date was during December, around the middle of December, 1971, Mr. Turner told me that in the event -- he was at that time relating to me that he was starting to have some minor difficulties with the bank in New York -- he didn't relate the details of the difficulties, except to say that the bank was starting to make some inquiries and he felt rather uneasy about these inquiries, he said that -- I might like to say -- I might like to add one point, if I may --

MR. WASHOR: I object to volunteering anything at this point, your Honor.

THE COURT: I don't know about volunteering. He is attempting to give a full answer.

You may continue.

A (Continuing) Well, on the previous discussion with Mr. Turner involving my report from New York, Mr. Turner at that time told me that he had great trust in me and felt that he respected my opinion very greatly, and, as I said, spoke very candidly with me. So in December when he told me he was having a little difficulty with the bank, I asked him what problems he thought he might be having, and he told me that he thought he could take care of the situation.

I asked him, "What would happen in the event that the bank were to move on you as a company and close the company

or try to take legal action against you?"

And I pointed out that the possibility existed since I had already reported to him about matters which I felt to be a violation of the law. He said that he had a nest egg, as he called it, an escape fund. This was all during the same conversation -- "No one is ever going to put me in a jail, and if it ever gets that bad I made provisions that I won't go to jail."

Q At that time or subsequently did Mr. Turner ever tell you about the amount of that nest egg or escape fund?

A Yes, sir. In either December of '71 or January of '72 -- and I say these two months because of the November conversations conducted during these periods of -- he mentioned the figure of \$30,000, and he said that the money was not kept in his home or in his business. I asked him "If the federal authorities were to move with search warrants or if the bank were to move with a seizure order on your company, would they be seizing the funds as well?"

He said, "no, it is not in my home or in my business or in a bank; it is some place where I can get to it very fast."

Q Did Mr. Turner tell you that \$30,000 was a static or level amount of that nest egg or escape fund?

A No, he told me he was building a fund and that the

fund had approximately \$30,000 in it at that time.

Q Did there come a time when two men from Chemical Bank came down to York Litho offices?

A Yes.

MR. WASHOR: Can we find at that time who he was working for?

THE COURT: You can ask him the question.

A Yes, sir. I am not certain I believe it was in the last week of December or perhaps the first week in January he told me that some gentlemen would be coming from the bank in New York. Do you want the men's names?

Q If you recall them.

A A Mr. Andy Tepper and the other gentleman's name I don't remember, but his last name, I believe, was Schultz or Schwartz, something to that effect, but the first man's name was Andy Tepper. He didn't give me their titles, but they were representatives of the bank and they were coming down to discuss with him the financing between York Litho and the Chemical Bank.

Q Did you have a conversation with Mr. Turner at that time about his dealings with Chemical Bank?

A Yes, sir.

Q Could you tell the jury the best you can recall who was present at that conversation?

1 A Well, there may have been two or three conversations
2
3 over a period of a day or two, but on one particular conver-
4 sation Mr. Richardson was present, on one occasion, and he
5 stated to me that --

6 Q Who stated--

7 A And Mr. Turner stated to me there were some men
8 coming down from the bank, and apparently they were going to
9 be making some inquiries about the accounts receivables, and
10 that there had to be some preparation made to prepare for
11 their arrival and any steps necessary to cover any inadequacies,
12 I believe was the word used -- I don't think anything relating
13 to anything illegal -- any inadequacies had to be taken care of
14 prior to their arrival. But Mr. Turner stated he didn't
15 expect any particular difficulty because he felt he would be
16 able to talk to the men satisfactorily.

17 I asked him if there was anything that these men
18 from the bank might be able to find out, and he again told
19 me that some of the accounts receivables that were posted
20 were, in fact, false, but these men were coming down for the
21 purpose of inspecting these accounts receivables, and, there-
22 fore, there was little likelihood they would discover it on
23 their trip.

24 Q Did Mr. Turner mention the subject of pre-billing?

25 MR. WASHOR: Your Honor, he is leading the witness

again.

THE COURT: Yes, you are leading the witness. And now the question is asked. Let him answer.

A Yes, sir, he told me -- my memory regarding these exact dates is difficult, because I did have, as I said, so many conversations with him -- he said that originally they had started out using a pre-billing system to justify a loan which was given by the bank. I don't recall the exact figure. I believe it was something like so many thousand. Like 25,000 dollars was being mailed down from the bank or deposited in a York Litho account, and that originally there had been some pre-billings posted to continue justifying this amount of money that was being sent down, but later on it had become necessary to falsify some of the documents totally.

Q Did you ever observe an invoice at York Litho reflecting a purchase by the Adding Machine?

MR. WASHOR: Your Honor, he is testifying. He told him about an invoice. In the question he mentioned the name of a document.

MR. EATON: This is a document already in evidence.

MR. WASHOR: I object.

THE COURT: It appears to me that you ought to be able to conduct your inquiry without inviting these kinds of interruptions that you are inviting.

MR. EATON: I will try again, your Honor.

Q Mr. Driggers, did you have any conversation with Mr. Turner without any specific invoices that might have been totally fraudulent?

A Yes, sir, I believe in January when I was speaking to him about the fraudulent accounts receivable, Mr. Turner told me that the evidence of such had been quite concealed. I asked him about the invoice from the Adding Machine, which had reflected Miss April Kelly's home address, and he asked me how I knew that, and I said, "You asked me to look around the company and give you an idea of what was going on," and he complimented me on my alertness and said that was not going to be left lying around, and he didn't even inquire as to where I had seen it. Apparently it happened to be on a desk outside of his office.

Q Now, did these two men come down from the Chemical Bank, as Mr. Turner told you they would?

A Yes, sir.

Q Do you recall the date when they came to York Litho?

A Not exactly. It was around the middle of January, I believe, of 1972.

Q Did you have any conversation with Mr. Turner after they concluded that meeting?

A Yes, sir. Both before and after.

Q Could you tell us what those two conversations were?

A Well, on the first occasion Mr. Turner had told me to go to the airport and watch for the men when they got off the airplane. He gave me a description of the men. I had no photographs, so I had the men paged to a telephone and stood near the telephone, so when they answered the page and went to the phone I was able to identify them.

Mr. Turner told me to try to find out where they were staying and then just report back to him.

Q Did you have a conversation with Mr. Turner after the two men went back to New York?

A Yes, sir, and he told me that the conversations between the two gentlemen from New York and himself had been quite successful and that an accountant would be coming down.

Q Did Mr. Turner ever tell you that this accountant -

MR. WASHOR: Objection.

THE COURT: Objections sustained.

Q Did this accountant come down after that conversation with Mr. Turner?

A Yes, sir, a man came down by the name of Kavanaugh, who was pointed out to me by Mr. Turner, and during my conversation with him involving Mr. Tepper and I believe Mr. Schwartz, he told me that the accountant would be coming down to look over the York books and that he would like me

1 to go back to Miami -- I had returned to Tampa -- and he had
2 asked me to be back in Miami when the accountant arrived,
3 and make sure what the accountant looked like. I don't know
4 if I was formally introduced to the accountant, but I stood
5 within a few feet of him on several occasions.
6

7 Q Do you recall how many days you were in Miami in
8 the York Litho premises while Mr. Kavanaugh was down in Miami?

9 A I believe once or perhaps twice. For the most part
10 I was not there. I was instructed to stand by at a local
11 hotel, and I think perhaps twice in the same day, or on two
12 different days, one on each day soon after Mr. Kavanaugh's
13 arrival, which if I recall correctly, was around the 19th of
14 January, but only about two occasions.

15 I did not see or stay around the York Litho during
16 Mr. Kavanaugh's entire stay, if that was your question.

17 Q Did you ever see Mr. Turner together with Mr.
18 Kavanaugh at the York Litho premises?

19 A Yes, sir, on one occasion Mr. Turner and I had
20 either been out together or we had been out of the building
21 separately -- I don't recall which -- in any event, we arrived
22 at the York Litho offices at the same time. I just really
23 can't recall whether we had been out to lunch or whether we
24 might have been out separately. When we arrived there
25 Kavanaugh was having some type of discussion with some of the --

I believe with Mr. Richardson and some of the other staff employees. There were several people standing around right outside Mr. Turner's office, and Mr. Turner said, "I have to get this straightened out; I will be with you in just a few minutes."

And he went over and spoke with Mr. Kavanaugh, and then I heard him tell Mr. Kavanaugh, "They are around here somewhere; it's just a matter of us locating them; don't worry about it."

And then Mr. Turner called me into his private office.

Q What happened after Mr. Turner called you into his private office?

A Well, from behind his desk or from in his desk -- and I don't recall which -- he took out a stack of what appeared to be shipping receipts of some sort, what appeared to be shipping receipts. They were square pieces of paper, approximately so square (indicating), six inches by five inches, something to that effect, and Mr. Turner began signing these receipts. I sat in front of his desk and he sat behind it, and he began signing these receipts, and I noticed that he was signing different names to the receipts; he was not signing his own name to them. Then he shoved several across the desk to me and asked me to sign several. I said,

"What do you want me to sign to them?" He said, "Just make up a name; it doesn't make any difference."

So I believe I signed three or four, something like that. Then he put the stack together, walked out of the office, and I heard him say to Mr. Kavanaugh, "They were in my office all the time," or something like that, "I found them," and gave these forms to Mr. Kavanaugh.

Q Did you ever introduce any employee of York Litho to any law enforcement agency?

A Yes, sir.

Q And who was the employee?

A Miss April Kelly.

Q Who was the law enforcement agent?

A Agent Bell of the FBI.

Q Do you recall when that was?

A No, sir. I believe I made the introduction around January or February of 1972.

Q Prior to introducing April Kelly to the FBI had you talked with any law enforcement officials you yourself about York Litho Corporation?

A Yes, sir.

Q Which law enforcement agents had you talked to prior to this?

A I had talked to Agent Ron Jordon of the FBI in Tampa,

1 mmcg 69

Driggers-direct

2 Florida and another agent whose name I do not recall. I
3 believe his first name was Frank. He had an Italian or
4 a Spanish last name in Miami, also with the FBI. And then
5 finally with Agent Bell.

6 Q Do you recall approximately when you talked with
7 Agent Jordon in Tampa?

8 A That could have been the last week in December or
9 the first week in November of 1971.

10 Q I think you may have mixed up the dates --

11 MR. WASHOR: Objection. I ask that that remark be
12 stricken. That is exactly what we have been doing for four
13 days.

14 THE COURT: He said the last week in December or
15 the first week in November.

16 THE WITNESS: I meant to say the last week in November
17 or the first week in December of 1971.

18 MR. WASHOR: I apologize, first of all, for raising
19 my voice.

20 THE COURT: Well, the acoustics are bad.

21 Q After you introduced April Kelly to the FBI agents,
22 in Miami did you have any discussion with any employee of
23 York Litho about April Kelly?

24 A I spoke with Mr. Turner -- before or after I spoke
25 with the FBI?

1 A Yes, sir.

2 Q And at that particular point you were not working
3 for him in the true sense of the word?
4

5 MR. EATON: I object to that.

6 THE COURT: That objection is sustained.

7 Q Did you commence to work for any agency of law
8 enforcement after December '71, that is, your conference with
9 Mr. Jordon?

10 MR. EATON: I would like to know what the words
11 "work for" mean, defined.

12 THE COURT: He asked the question and Mr. Driggers
13 can answer it, and you can do whatever you want on redirect.

14 You may answer the question.

15 A I was not employed by a law enforcement agency,
16 although I provided information to --

17 Q I am sorry. I don't mean to interrupt you. Please
18 continue your answer.

19 A (Continuing) I did provide information for the
20 Federal Bureau of Investigation, but I was not employed by
21 the Federal Bureau of Investigation in the sense that I drew
22 a salary from them.

23 Q When did you first provide information to the FBI?

24 A As I stated, during the last week of December, 1971 --
25 the last week of November, 1971, or the first week of December

MR. RUBIN: It's a little difficult for me to hear.

A I was asked for any additional information relating to a crime which had been committed or one that was in the process of being committed regard a Federal offense, could I keep in contact with him.

Q When is the next time you saw him?

A I don't recall exactly. Approximately a week later. I met with him on several occasions.

Q Did you make notations of when you met with Mr. Jordon?

A No.

Q Did you charge the Government for expenses?

A On one occasion I did, yes, sir.

Q How much?

A I believe \$90.

Q When was that?

A I believe that was in February of 1972 and that was for the cost of a round trip plane ticket, one night in a motel, and approximately two meals, which the Government reimbursed me for. I charged them no fee.

Q Sir, did you speak to Mr. Turner between the first time you saw Jordon and the second time you saw Jordon?

1 displayed?

2
3 MR. EATON: I don't know, either. I assume
4 he is talking about delivery tickets and invoices which
5 I may have shown him. I have no recollection which ones
6 I showed him. I suppose I showed him one.

7 Q Could you read the signatures on any documents
8 that you saw?

9 A Yes, sir, I could, but I didn't remember any
10 of the names. I was looking for the style of handwriting
11 to see if it was a document I may have signed or seen
12 while I was at York Litho.

13 Q Sir, you have demonstrated before the luncheon
14 recess quite a memory on details.

15 A What memory on details?

16 Q Memory on detail --

17 MR. EATON: Objection, sir.

18 Q Sir, when you forged delivery tickets as
19 you allege on your direct testimony in the month of
20 February, 1972, you witnessed a crime in your presence?
21 Am I correct?

22 A In my opinion it was a crime being committed
23 in my presence, yes, sir.

24 Q And you forged and put fictitious names on
25 delivery tickets as you testified by instruction of Mr.

on Page 4 of his trial brief he indicated that he would move before trial to sever the remaining counts, and so forth, and essentially what I believe Mr. Eaton had in mind was to sever those counts in the indictment which did not have any schedule signatures as they related to each individual. There are two remaining counts as to my client, some odd for Mr. Herman, and all of the remaining are as to Mr. Turner. I wonder if Mr. Eaton now would want to do something along those lines.

MR. EATON: I think it is only fair instead of severing at this point I would consent to the dismissal of those counts.

As to Mr. Richardson, Counts 1 through 5, 7 through 9, 11 and 13 through 18.

As to Mr. Herman, Counts 1 through 3, 5, 11, 13, 18 and 19.

And as to all of the defendants, Counts 6, 10, 12 and 14.

I am reading off Page 4.

MR. RUBIN: There remains as to Mr. Richardson Counts 13 and 19? Is that correct?

MR. EATON: I believe that is correct.

MR. KOGAN: Your Honor, as to the defendant Herman, the remaining counts are 4, 7, 8, 9, 15, 16 and 17.

26 hpmch

Siegel-direct

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A Carpet professional; salesman, you might say.

Q Married, s'ir?

A Yes.

Q Any children?

A Three.

Q Where do you live, sir?

A Sunrise, Florida.

Q Do you know Sheldon Turner?

A Yes, I do.

Q Do you live right near him?

A No.

Q How long a period of time would you say you know
Mr. Turner?

A About seven years.

Q During that particular seven-year period of time,
did you have occasion to know other people in the community
that know Mr. Turner?

A Yes.

Q Have you had occasion to discuss Mr. Turner's
reputation for honesty and decency during that period of
time?

A Yes, I have.

Q What is Mr. Turner's reputation for those
characteristics that I have mentioned?

27 hpmch

Siegel-direct/cross

A Would you repeat that again, please?

Q What is his reputation for the character traits of honesty and decency?

A To the best of my knowledge, they're fine.

MR. WASHOR: Thank you, sir.

Your witness.

CROSS-EXAMINATION

BY MR. EATON:

Q Mr. Siegel, in your discussions with people in the community, have you ever heard that on approximately ten occasions Mr. Turner carried a quarter of a million dollars in currency for Las Vegas casinos?

MR. WASHOR: Your Honor, I move for the withdrawal of a juror and a declaration of mistrial.

I ask that a good-faith showing be made and substantial proof for such a question at this juncture.

THE COURT: Motion denied. He asked him if he heard of it.

MR. WASHOR: Would you instruct the jury this in no way imports the truth of the question and the answer is what counts?

THE COURT: You put him on as a character witness and the Government has a right to ask him whether he has heard various things.

28 hpmch

Siegel-cross

A Would you ask the question again, please?

Q Mr. Siegel, in your discussions with people in the community, have you ever heard that, in or about 1968, Sheldon Turner, on approximately ten occasions, carried cash in the approximate amounts of a quarter of a million dollars from Las Vegas to various points in the United States?

A Never, no.

Q In your discussions with people in your community, have you heard that Mr. Turner has used other names besides Sheldon Turner?

A Yes.

Q What names have you heard he has used?

A I have heard he used the name of Dutch Turner.

Q Any other names besides Dutch?

A No.

Q Have you ever heard that he used the name, Jacques Martin Turner?

A No.

Q Have you ever heard that he used the name, Sam Gabriel?

A No.

MR. WASHOR: I would object on the ground that this is impropriety. One is the name of his brother, and

1 the other happens to be the name that he uses to
2 publish music, and it has been copyrighted and it is
3 unfair to ask these questions in the presence of a jury
4 to spell out some sort of nefarious --

5
6 THE COURT: Mr. Washor, you are perfectly capable
7 of bringing that out on redirect examination. The
8 Government has a right to ask the questions if they are
9 being asked in good faith.

10 MR. WASHOR: Your Honor, if in fact the Government
11 knows that the name, Jacques Turner, belongs to the brother
12 of the defendant, how can we in this Court suggest that it
13 is a good-faith question posed in front of the jury, or
14 if the Government knows the other name is a copyrighted
15 name for the publishing of music, how can this Court
16 suggest it is a good-faith question? How can I ask this
17 witness who may not have knowledge of these particular
18 facts?

19 THE COURT: The objection is overruled.

20 Q In your discussions with the community, have you
21 heard that Sheldon Turner is awaiting trial in Florida for
22 conspiracy?

23 MR. WALKER: That's unbelievable, your Honor,
24 in the United States District Court, that anybody could
25 dare bring out an arrest.

1 30 hpmch

Siegel-cross

2 I call for the withdrawal of a juror and a
3 declaration of mistrial.

4 I have never heard a prosecutor asking for
5 pendency of an indictment.

6 THE COURT: The objection is overruled. I
7 think, as far as I can gather, the Government is well
8 within its rights. They are asking this man what he has
9 heard.

10 He has testified to Mr. Turner's good reputation
11 in the community. The Government has a right to ask him
12 what he has heard about various things.

13 MR. WASHOR: May I just place on the record --

14 THE COURT: You have placed enough on the
15 record.

16 The objection is overruled.

17 Q Mr. Siegel, in your discussion with people in
18 the community, have you heard that Mr. Turner is now
19 awaiting trial on criminal charges of conspiracy in
20 connection with the financial collapse of Cedars of
21 Lebanon Hospital?

22 MR. WASHOR: Your Honor, objection. It is not
23 the proper charge.

24 THE COURT: The objection is overruled.

25 Q Have you heard that, Mr. Siegel?

1 31 hpmch

Siegel-cross

2 A The way you state the question, no.

3 Q Have you heard that Mr. Turner is awaiting
4 trial on any criminal charges in Florida?

5 A There have been some articles in the newspaper,
6 yes.

7 Q What is your understanding from what you heard,
8 what the charges are?

9 MR. WASHOR: Objection.

10 THE COURT: The objection is overruled.

11 I have said over and over again, insofar as I
12 understand it, this witness may be asked of various
13 things.

14 MR. WASHOR: He wasn't asked that. He asked him
15 his opinion and understanding of the charges that are
16 pending; not what he heard.

17 THE COURT: That's because of the fact that you
18 objected to his characterization of the charge in the first
19 instance.

20 All right.

21 MR. RUBIN: I wonder if you will not be kind enough
22 to permit me to have a side bar conference with you, your
23 Honor. I don't believe I could tell you what I want to
24 properly within the hearing of the jury.

25 THE COURT: I don't need any side bar conference

1 32 hpmch

Siegel-cross

2 on this.

3 MR. RUBIN: It does not relate --

4 THE COURT: We will continue with this. I
5 need no side bar conference. Mr. Eaton is well within his
6 rights.

7 MR. RUBIN: Your Honor, I do not want to raise
8 that issue with you in the side bar conference.

9 THE COURT: All right.

10 (At the side bar)

11 THE COURT: What is the problem?

12 MR. RUBIN: Your Honor, at this time I would
13 ask to have the case of United States Government against
14 Donald Richardson severed because of the fact that
15 the information -- I want to discuss the ruling of your
16 Honor in relation to hearsay evidence on reputation.
17 I don't want to take a position, but I believe that these
18 statements may have an unwarranted effect on my client,
19 and although I don't want to question the tactics of
20 co-counsel, I just feel at this point that I am being
21 very, very adversely affected.

22 I didn't anticipate this tactic.

23 THE COURT: You must have anticipated that there
24 will be character witnesses brought.

25 MR. RUBIN: I must disagree with you, sir. I

1 33 hpmch

Siegel-cross

2 could not have possibly anticipated character witnesses
3 in this particular instance.

4 THE COURT: In any event, the motion for the
5 severance is denied.

6 MR. KOGAN: On behalf of the defendant Herman,
7 I join in the motion.

8 THE COURT: It is denied.

9 MR. RUBIN: Your Honor, I take exception to your
10 ruling, most respectfully, and I am going to ask you, your
11 Honor, at some point before the jury begins deliberation
12 to specifically point out this is unrelated to my client.

13 THE COURT: Yes, as soon as the testimony is
14 over.

15 (In open court)

16 BY MR. EATON:

17 Q Mr. Siegel, on the basis of what you have read
18 and heard, what is your understanding of the criminal
19 charges upon which Mr. Turner is awaiting trial in the
20 State of Florida?

21 A I believe it has something to do in conjunction
22 with the failure or bankruptcy of Cedars of Lebanon
23 Hospital. Just what they are in detail, I really don't
24 know.

25 MR. EATON: No further questions.

UNITED STATES OF AMERICA,

- v s -

74 Cr. 424

SHELDON S. TURNER,
DONALD R. RICHARDSON, and
FRED L. HERMAN,

26 August 1974

[10:00 a.m.]

[In open court. Jury not present.]

THE COURT: You may proceed.

MR. WASHOR: Your Honor, may I address the
Court? I have some applications to make.

THE COURT: Yes, surely.

MR. WASHOR: Your Honor, I would at this time
on behalf of the defendant Sheldon Turner, move for
withdrawal of a juror and a declaration of a mistrial,
and the alternative actually a dismissal of the indictment
predicated on the following grounds:

The prosecution has asked on cross-examination
of a character witness, Monte Segal, a question -- I am
trying to summarize the form -- "Have you heard that Mr.
Turner is under indictment in Florida"? Well, I would
ask the Court to take judicial notice of a Florida
statute, 932.47 and 932.48 which is the statute by and
under which Mr. Turner was under indictment in Florida.
That statute dictates, in sum and substance, the State

MR. WASHOR: Now, certiorari was granted by The Supreme Court of the United States. The matter was argued January, 1974 Term. Certiorari was granted in 93 Supreme Court 567. However, no decision was rendered as a result of that argument in January 1974 Term and re-argument is scheduled for October, 1974 Term.

But as the posture of the case now stands, the statute under which Mr. Turner was indicted has been held by at least two Courts, the Trial Court and the First Appellate Court, to be unconstitutional.

I suggest with that knowledge that the United States Attorney should not have asked or been permitted to ask the question about Mr. Turner being presently under indictment. And I suggest that since the United States Attorney has been privy to the investigation in Florida, that that fact should be known, or at least chargeable under the law to him.

THE COURT: When was Mr. Turner placed under indictment?

MR. WASHOR: I think April, 1974.

MR. EATON: Your Honor, may I reply?

MR. WASHOR: Well, may I finish, please?

I further move for a mistrial, or a dismissal of the indictment on the grounds that testimony as

1 126 cmsr

2 perpetuated here during the course of the trial which
3 unequivocally indicates that the Government through its
4 agents, paid or unpaid, to wit, April Kelly and William
5 Driggers conspired and did in fact steal papers,
6 private papers of the corporation and Mr. Turner,
7 further violating his civil rights, the Fourth Amendment,
8 Fourteenth Amendment of the United States Constitution.

9 That testimony perpetuated on the direct
10 examination has and is, does stand uncontradicted,
11 uncontroverted. I don't think it is different than
12 the Ellsberg circumstance or the Watergate circumstance
13 that there has been infringement on an individual's
14 rights.

15 I further suggest that we had planned to call
16 several other character witnesses. Frankly, not many.
17 Five or six at the very most. Recognizing from a
18 practical standpoint the value of more than five, six
19 character witnesses, and recognizing that this Court
20 would have an absolute right to limit too many character
21 witnesses from testifying. But, as a result of the
22 Court's ruling on the questions of Mr. Monty Segal, I
23 have reason to believe that the Court would rule
24 consonant with its prior rulings or in a sense that
25 would really constitute the law of the case on that

1 50 cmsr

2 but I suggest to you that that's what he did.

3 Now let me go through these arguments that Mr.
4 Washor made, and I am going to try and do it as rapid
5 fire as I can.

6 First of all he said there is no evidence of
7 personal gain to Dutch Turner. There was evidence that
8 Mr. Turner discussed with Mr. Driggers a nest egg, or
9 an escape fund which at the time of the discussion Mr.
10 Turner said was \$30,000 and building.

11 But the shorter answer really is that the
12 Government doesn't have to prove personal gain to Mr.
13 Turner, it's just an interesting bit of evidence.

14 The charge is filing false statements with the
15 bank with the purpose of inducing the bank to loan money.
16 It's that simple.

17 Next Mr. Washor said that he believed he had
18 established on cross-examination that there was
19 acquiescence by the bank with respect to "certain
20 contractual obligations". And he refined that for you.

21 I direct your attention that the evidence
22 first of all of Mr. Irish, the heavyset banker, testified
23 that the bank relies absolutely on the accuracy of those
24 schedules. And it is really even simpler than that.
25 It's so simple you don't have to look at any evidence.

1
2 Therefore, I submit to you that the idea of
3 why nobody in this case called handwriting experts is
4 rather simple. They were deliberately disguising their
5 handwriting, and that's the way anyone would do it.
6 You wouldn't write it in your own handwriting.

7
8 Now, when he was talking about the customers
9 Mr. Washor asked where were the records? I am sure
10 you remember when they were on the stand a number of
11 them did have records with them. Very few of those
12 documents were received in evidence. A few of them
13 were. But the other ones were here, they were available
14 in this courtroom.

15 Then Mr. Washor said, isn't it something that
16 some of these customers continued to deal with Dutch
17 Turner anyway? It's not something at all. They weren't
18 defrauded by Dutch Turner. He didn't defraud the
19 customers. They didn't lose any money from these false
20 statements. The bank is the one who lost the money.

21 The only customer that Mr. Washor really lit
22 into was Con Little. You will find out that Con Little
23 only relates, I think, to one or two of the counts.
24 I might take this opportunity just to explain that there
25 are nineteen counts in the indictment, fifteen of them
will be submitted to you for your consideration. The

1 59 cmsr

2 they could. There is no evidence that they could tell
3 their signature, that it was written in their own
4 handwriting. Second of all, the bank officials testified
5 that there was a , I believe it was Mr. Maselow who
6 testified that the bank has such a massive amount of
7 paper that they destroy a number of documents every
8 year, and there's a simple explanation for where most
9 of the forged delivery tickets have gone.

10 We have salvaged what we have salvaged, and
11 that's what the indictment is about. It doesn't
12 disprove that there were hundreds of other forged
13 delivery tickets floating around both at the bank and
14 at York Litho. Even they were available there is no
15 evidence that the handwriting could be recognized as
16 April Kelly's.

17 Moving on to Mr. Driggers, Mr. Washor speculated
18 whether it was a mere coincidence that April introduced
19 Driggers to Turner. Well, there apparently was a real
20 camera investigation that started things off. It was
21 Mr. Turner who got very chummy with Mr. Driggers. It
22 was Mr. Turner who kept giving Mr. Driggers additional
23 jobs. And interestingly April was not in the inner sanctum
24 for all of those discussions.

25 Mr. Driggers did testify that he made some sort

1 60 cmsr

2 of notes about his camera investigation, but he didn't
3 on the subsequent investigations, the divorce, et cetera.
4 He had a very simple explanation for that, he said that's
5 what Mr. Turner told him to do. Not keep any notes.

6 Mr. Washor hammered on the fact that Mr.
7 Druggers explained that he went to the FBI because he
8 wanted to know whether he was committing a crime by
9 having this relationship with a client who was in Mr.
10 Driggers' opinion committing a crime. The key point
11 there is continuing crime. That was the word Mr. Driggers
12 used. He was worried about the fact that there was
13 talk about an ongoing scheme to defraud the bank, and
14 he was right in there meeting with this guy. He had
15 every reason to be a little bit worried about whether
16 he was in a funny position.

17 Mr. Washor also made a big point of the fact
18 that there were no electronic devices used to record
19 any of these conversations. On reflection you will
20 find that a little absurd, someone in Mr. Driggers'
21 position to go in with a wire when he is talking to
22 someone like Dutch Turner who is very interested in how
23 loyal various employees are to him. It wasn't Mr.
24 Driggers' job to do that. It wasn't Mr. Driggers' job
25 to make up written reports to the FBI. The evidence

1 61 cmsr

2 was he made oral reports to the FBI. It is the FBI's job
3 to write the reports, not Mr. Driggers'.

4 When Mr. Washor got to Mr. Maselow he said
5 that Mr. Maselow testified he had no independent recol-
6 lection of "what occurred between him and Dutch Turner.
7 I think you recall that Mr. Maselow's testimony was he
8 recalled very well. He went down and had a meeting with
9 Dutch Turner and that they were discussing which invoices
10 were collectable and which were not and why, and that
11 he wrote that down, what Mr. Turner told him.

12 What he said he couldn't remember was what
13 the amounts were and the names of the customers. He
14 really could not think back to that meeting with Turner
15 and specify what Mr. Turner said. But that's why he
16 wrote it down, so he would have it, and now we have it.
17 Now that's a very important exhibit. Exhibit 116.

18 Then Mr. Washor complained that Mr. Maselow
19 was still able to remember enough to interpret the
20 document. Well, that's a joke. If you look up at the
21 top here there are three little captions, "A" in the
22 circle, no good, doesn't say bogus, doesn't say invalid,
23 it says no good. "B", in the circle, collected.
24 Already collected means pocketed by Turner. not sent
25 up to the bank as it was supposed to be. And "C". in

there is a statement that each of the receivables which is listed on the front, "represents a bona fide and existing obligation of the customer."

Now, that statement actually contains two statements:

[1]. Each Receivable is a bona fide obligation, and,

[2]. Each Receivable is an existing obligation.

If you find beyond a reasonable doubt that either one of those statements was false as to any one of the receivables listed on the front of the Schedule, then you may find that that Schedule was a "False statement and report."

Now, a "bona fide obligation" means a good faith obligation. It means that the customer actually did agree to pay the amount shown, and that York Litho actually did intend to hold him to that obligation. I shall now discuss the meaning of an "existing obligation"

As a matter of commercial law, normally a customer is not obligated to pay a bill until the merchandise has been delivered to him, unless he agrees to be billed on some other basis. Accordingly, even if York Litho received a bona fide order from a customer, it would be a "false statement" to submit a schedule

1 104 cmsr

2 containing that order if the merchandise had not yet
3 been delivered to the customer, unless the customer had
4 agreed to be billed on some other basis.

5 There has been testimony by Mr. Richardson
6 and Mr. Herman that they never looked at the reverse
7 side of the schedules, but just signed them. They contend
8 that they never forged anyone's name on any of the
9 tickets. There has also been testimony that the
10 corporation would also have to make credit adjustments
11 and charge-backs for dissatisfied customers.

12 Now, the verdict form sheet, which you will
13 receive, shows which defendants are charged with making
14 which statements. The defendants Richardson and Herman
15 are charged only with those statements which the Government
16 contends they signed. The defendant Turner is charged
17 with all those statements. According to the Government's
18 evidence, Turner signed only two of these Schedules,
19 and another one was unsigned, and another one was signed
20 by Betty Denson, a bookkeeper, in Herman's name, and the
21 others were signed by Herman and Richardson.

22 As to those Schedules which were not signed
23 by Turner, the Government contends that Turner is
24 responsible for making those statements as an "aider
25 and abettor."

so those will be in evidence as well.

I would like to give you a little bit of the history of the agreement that I have been talking about. That started back in 1961. At that time York Litho was run by different people than these defendants, and the agreement was entered into with a company which was not technically a bank at that time, it was called the L.F. Dommerich Company. But in 1968 the Chemical Bank acquired LF. Dommerich Company, and at the time in question the lender was simply the Chemical Bank-Dommerich Division

The Dommerich Division was not a subsidiary of the bank, it was just a department of the bank, just like the installment loan department, and in 1971 the three defendants became officers, executive officers of this printing company, and the agreement continued, and, in fact, the president, Mr. Hunter, signed a personal guarantee to induce Chemical Bank to continue this agreement that had been going on for about ten years.

In this agreement and on the back of these schedules that you will see there are various statements or representations about these invoices that are listed on the front, and the basic statements are that these invoices represent bona fide obligations and that they represent

source is Mr. Irish and we will not offer these documents until Mr. Irish is called.

Q In January and February of 1972 did Chemical Bank have an employee named Kenneth Kavanaugh?

A Yes.

Q Did you give him any particular instructions at that time?

A Yes. I assigned him --

MR. WASHOR: Objection.

THE COURT: What is the basis of that objection. I don't understand the basis of that objection.

MR. WASHOR: Your Honor, in one word, if I may -- it constitutes hearsay testimony either in the sense that he perpetrated what his instructions were or what his ctions were

THE COURT: I thought the question was the instructions that he gave to some other person? Isn't that the question?

MR. EATON: Yes.

THE COURT: The objection is overruled.

A I sent Mr. Kavanaugh to York Litho Corporation to act as our custodian.

Q To your knowledge how long was Mr. Kavanaugh down in Florida at the York Litho premises?

Government's Exhibit 116 is received in evidence.

MR. WASHOR: Will you indicate that the government's exhibit doesn't constitute evidence in chief.

THE COURT: It is admitted for that of past recollection recorded.

MR. KOGAN: I assume we are following your Honor's original comments to the jury, that this document doesn't go either to the defendant Herman or to the defendant Richardson?

THE COURT: I think that has been made clear that this testimony relates only to Mr. Turner.

MR. KOGAN: Fine, sir.

BY MR. EATON:

Q Now, Mr. Maselow, I would like to read parts of the document with you.

MR. WASHOR: May I object to that.

MR. EATON: The document is in evidence.

MR. WASHOR: Your Honor, I am addressing myself to you.

THE COURT: The point is that it is past recollection recorded. You have indicated that it is not the evidence in chief and, therefore, the document is going to be utilized by Mr. Maselow to recollect precisely what he did on those days. The objection is overruled.

Q Oh, I am sorry.

A No, I have not.

Q Is that an original, by the way, from the bank?

A It appears to be.

Q What is the date on that, Mr. Maselow?

A It appears to be May 10, 1972.

Q Will you explain how come the original document wasn't destroyed when you have testified on the direct examination that the original documents relative to York Litho were destroyed and here we have an original in the possession of the government.

MR. EATON: Objection.

THE COURT: Objection sustained.

MR. EATON: For the record --

MR. WASHOR: I object to any statement.

MR. EATON: The exhibit number is Government's Exhibit 109 for identification that is in front of the witness.

THE COURT: Yes, this is going to be a calm trial.

Proceed.

Q Have you ever seen that before?

A I have not.

Q You know nothing about the contents of it?

2 C O N R O B E R T S L I T T L E, JR., a witness
3 called on behalf of the government, being first
4 duly sworn, testified as follows:

5 DIRECT EXAMINATION

6 BY MR. EATON:

7 Q Mr. Little, where is your place of business?

8 A It is in Winter Haven, Florida.

9 Q What is the name of your business?

10 A Little & Co., Incorporated.

11 Q Could you tell the jury briefly what business you
12 are in?

13 A I am a manufacturers' agent and I sell supplies
14 to the Florida citrus industry, specializing in the sale of
15 labels.

16 Q You mentioned the sale of labels. In late 1971
17 and in 1972 did you have any business dealings with York
18 Litho Corporation of America?

19 A Yes, I did.

20 Q And do you know a company named Deep South
21 Products?

22 A Yes, I do.

23 Q And do you know a company named Citrus World,
24 Incorporated?

25 A Yes, I do.

Q Now, were they involved with your business dealings with York Litho Corporation of America?

A They bought labels from York Litho Corporation through me.

Q Is it fair to say that you were a broker with respect to both Deep South Products and Citrus World?

A Yes, that is about the same term as a manufacturers' agent.

Q When one of these customers of yours wanted labels, would you contact York Litho Corporation and order them?

A The customer would order the labels from York Litho, giving me the order, and I would send it to York Litho.

Q And so you would send your client's order to York Litho?

A Right.

Q Now, on any of the transactions that you were involved in, did York Litho Corporation ever bill the order to Little & Company?

A I did receive an invoice from them, yes.

Q And on how many occasions were transactions billed to Little & Company?

A One occasion.

MR. EATON: Objection, I don't see where Mr. Washor is reading from.

MR. WASHOR: I am not reading, your Honor. I am asking a question.

THE COURT: Are you asking a question as reflected by the statement?

MR. WASHOR: That is the source of my information.

I am asking whether he made that statement or a statement similar to that to the FBI.

THE COURT: Did you?

THE WITNESS: The answer to that question is no. I will explain it, if you like.

Q Would it be fair to say, sir, that when you received the invoice, the billing from York Litho, you forwarded them back directly, immediately to York Litho?

A That is correct.

Q There is no doubt in your mind?

A No doubt at all.

Q And the first orders were about December '71?

A I think so.

MR. WASHOR: I would say I have certain photostats provided me by the government. I would ask them to provide me the originals relating to the first

1 14 mmmch

Breslow-direct

2 ruled sheets I mentioned, and which were removed by my
3 office.

4 MR. WASHOR: Your Honor, I object to this pro-
5 cedure. The prosecutor is, in a sense, telling the
6 witness what has been removed by the Government from a file.
7 I don't think that is proper.

8 THE COURT: I gather now, Mr. Eaton, that was the
9 point of showing him Exhibits 20 to 36.

10 These things that you are now showing him, were
11 they at one time part of those?

12 MR. EATON: Yes. And I am going to ask the
13 witness as having been part --

14 THE COURT: Ask him that. Give him the exhibits
15 and ask him does he recognize the documents and let him
16 tell us.

17 You don't have to tell us what they are.

18 Q I show you these documents, Mr. Breslow. Look
19 through them as I read off these exhibit numbers.

20 MR. WASHOR: I object.

21 THE COURT: He wants to read off exhibit
22 numbers so we can make them a matter of record.

23 Q (Continuing) 1-A, 1-1-A, 1-2-A, 1-3-A; 2-A, 2-1-A,
24 2-3-A, 2-4-A; 3-A, 3-1-A, 3-2-A; 4-A, 4-1-A, 4-2-A; 5-A,
25 5-1-A, 5-2-A, 5-3-A; 6-A; 7-A, 7-1-A, 7-2-A, 7-3-A; 8-A,

Breslow-direct

8-1-A; 9-A, 9-1-A; 10-A, 10-3A; 11-A, 11-1-A, 11-2-A, 11-3-A,
11-4-A; 12-A, 12-1-A, 12-2-A; 13-A, 13-1-A, 13-3-A, 13-5-A,
13-2-A; 14-A, 14-1-A; 15-1-A, 15-3-A; 16-1-A, 16-2-A, 16-3-A,
16-4-A, 16-5-A; 17-1-A, 17-2-A; 19-1-A, 19-3-A.

A Yes.

Q You recognize those documents?

A Yes.

MR. WASHOR: Your Honor, with all due respect,
I withdraw the objection.

Q What do you recognize those documents as being?

A Those are records that the agent took from the office, the special agent.

Q Those were records that had been in the York Litho premises, kept by York Litho before the bank took over?

A Yes.

MR. EATON: I offer them in evidence, your Honor.

MR. WASHOR: May I have a voir dire, your Honor?

THE COURT: You are always entitled to that.

All right.

VOIR DIRE EXAMINATION

BY MR. WASHOR:

Q Sir, did you have an opportunity to compare these documents with the originals?

A I beg your pardon. Would you come a little closer?

1 110 mmch Martin-direct

2 Machine, getting the proper permits to set up what was,
3 for all practical purposes, a subsidiary of York, an in-
4 house advertising agency.

5 Q Were the services of this in-house advertising
6 agency made available to the customers of the printing
7 company, York Litho?

8 A Yes. That is what The Adding Machine was supposed
9 to do.

10 Q Did The Adding Machine ever order anything from
11 York Litho?

12 A Not to my knowledge.

13 Q Who was in charge of the advertising-agency-type
14 services at York Litho?

15 A You mean at The Adding Machine?

16 Q Yes.

17 A That would be me.

18 Q Did Donald Richardson ever have any discussions
19 or communications with you concerning the operation of The
20 Adding Machine?

21 A Yes, he did.

22 Q And could you describe to the jury how those
23 communications came about?

24 A Mr. Richardson asked for a weekly report on the
25 activities of The Adding Machine to be provided him every

1 167 mmmch

Martin-cross

2 Q Now, you testified you took these forged documents
3 prepared by yourself, accompanied with an invoice and
4 the schedule -- I am talking about the delivery ticket
5 was forged --

6 A Yes, I don't believe I ever wrote out a delivery
7 ticket. I was asked to sign an already filled out one.
8 I want to make that point.

9 Q You just had a little bit to do with the forging?

10 A No, I forged the names, but I didn't make out
11 delivery tickets.

12 Q They were given to you and you just signed? You
13 made up a name?

14 A Yes.

15 Q You took these documents, three documents, the
16 forged delivery ticket by yourself, an invoice, and put
17 them together with the master sheet called the schedule;
18 am I correct?

19 A No, that is not correct. I don't believe I was
20 ever left with a stack of delivery tickets. It was always
21 someone just saying, "Take a few pens and pencils and sign
22 it," a stack. "Take a red felt pen and then a pencil."

23 On two occasions that I know of, I did the
24 actual stapling together in preparing the package for Mr.
25 Turner, but other than that, I was just brought in delivery

MR. WASHOR: I am leading up to something.

THE COURT: Get there.

Q What induced you to go to the FBI, Miss Kelly?

MR. EATON: Objection, your Honor.

THE COURT: That objection is sustained.

Q Miss Kelly, having committed the crimes of forgery in late 1971, when did you for the first time after committing your forgeries go to the FBI?

MR. EATON: Asked and answered.

THE COURT: She has indicated her recollection was late January, but on the documents that you furnished her she says February 15. That is already established, Mr. Washor.

Q How many forgeries did you commit in late 1971?

A I couldn't tell you. The total number of forgeries that I committed would probably be between 20 and 25. I was not asked that often.

Q How many of the 20 or 25 prior to January 1, 1972?

A I just wouldn't be able to tell you.

Q More than three.

A Possibly three, possibly five. I don't know.

If I could recall I would tell you, but I can't.

Q When were you phased out of the Adding Machine Company subjecting yourself to a loss of 25 percent?

MR. EATON: Objection. No such evidence.

A No.

Q You are not a special agent?

A No.

Q Did you graduate college?

A No.

Q Did you graduate law school?

A No.

Q Do you have a degree in accounting?

A No.

Q But as I understand it, your employment was so listed by Mr. Senna or Mr. Charles Bell, special agents of the FBI, to assist them in the investigation of a fraud involving roughly half a million dollars?

A Yes. They did not employ me, however.

Q You were the undercover for them? Is that what you are telling us?

A Yes.

Q How old are you?

A How old am I now?

Q Yes.

A 28.

Q I wonder if you would take a look at Government's Exhibit 3519?

A That was taken back, I am sorry.

2 A No.

3 Q Sir, is it not a fact that had you made a report
4 of the names that you forged and those documents were
5 given or forwarded up to the Chemical Bank of New York,
6 you would have witnessed the inception and commission
7 of a crime? Am I correct?

8 A Yes, sir.

9 Q Did you make notations of the names that you
10 forged?

11 A No, sir.

12 Q Can you tell me the names of any individuals
13 that you interviewed originally back in November, 1971,
14 in connection with the camera investigation?

15 A Yes, Mr. Opoca was interviewed, perhaps two
16 men by the name of Opoca. I don't recall the spelling.
17 Mr. Barsorian was interviewed; I talked with Mr. Herman
18 -- a number of people in the company, a couple of
19 secretaries whose names I do not recall; one secretary's
20 name was Debbie Sutherland, and I don't know -- several
21 other people -- John Johnson -- a number of people.

22 Q Mr. Driggers, you remember the names in an
23 interview in November, 1970, a camera investigation,
24 and you do not remember the names of forged documents
25 when this man's life is in jeopardy?

1 278 cmsr

2 we start at 3:15, the first will take until a quarter
3 of, and how long do you think you will take?

4 MR. RUBIN: About the same amount of time,
5 just guessing.

6 THE COURT: All right. Until a quarter of four.
7 We come to a quarter after five, we have to keep the
8 jury here until six o'clock.

9 MR. RUBIN: Your Honor, can I just ask you
10 one or two points?

11 THE COURT: Wait a minute.

12 MR. RUBIN: I assumed that was set.

13 THE COURT: How much time do you think you
14 will need?

15 MR. WASHOR: About an hour.

16 MR. EATON: About an hour, your Honor.

17 THE COURT: All right. Then what we will do
18 is you gentlemen will go and I won't even worry about
19 the time, you go from 3:30 and the two of you will go,
20 Mr. Washor and Mr. Eaton will finish up tomorrow morning
21 and I will give my charge. All right?

22 MR. RUBIN: Your Honor, just one or two points,
23 if I may. Do you plan somewhere in your charge to
24 mention the fact that all three defendants were seated
25 at the same table and three lawyers were conferring with

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(C) 25523 - 15399
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U.S. DEPT. OF JUSTICE
S.D. OF N.Y. ~~FILE~~

THIS DEPOSIT IS ACCEPTED SUBJECT TO THE RULES AND REGULATIONS APPEARING ON SIGNATURE CARD

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13-37	13 37 00
13-38	13 38 00
13-39	13 39 00
13-40	13 40 00
13-41	13 41 00
13-42	13 42 00
13-43	13 43 00
13-44	13 44 00
13-45	13 45 00
13-46	13 46 00
13-47	13 47 00
13-48	13 48 00
13-49	13 49 00
13-50	13 50 00
13-51	13 51 00
13-52	13 52 00
13-53	13 53 00
13-54	13 54 00
13-55	13 55 00
13-56	13 56 00
13-57	13 57 00
13-58	13 58 00
13-59	13 59 00
14-00	14 00 00
14-01	14 01 00
14-02	14 02 00
14-03	14 03 00
14-04	14 04 00
14-05	14 05 00
14-06	14 06 00
14-07	14 07 00
14-08	14 08 00
14-09	14 09 00
14-10	14 10 00
14-11	14 11 00
14-12	14 12 00
14-13	14 13 00
14-14	14 14 00
14-15	14 15 00
14-16	14 16 00
14-17	14 17 00
14-18	14 18 00
14-19	14 19 00
14-20	14 20 00
14-21	14 21 00
14-22	14 22 00
14-23	14 23 00
14-24	14 24 00
14-25	14 25 00
14-26	14 26 00
14-27	14 27 00

ENTER TOTAL OF
CHECKS HERE →
AND HERE

“89” 7 2 “0”

DATE _____

MIDTOWN BANK
OF MIAMI
MEMBER FEDERAL RESERVE BANK
MIAMI, FLORIDA

MEMBER AFFILIATE LEAD POST INVITATION & COORDINATION

MIAMI, FLORIDA

DOLLARS	
COIN	
BILLS	
TOTAL OF CHEQUE LISTED	
ON LEFT SIDE	
DEPOSIT	
TOTAL	

YORK LITHO CORP. OF AMERICA

12/6/71

GOVERNMENT

118

YORK LITHO CORP. OF AMERICA
3401 N.W. 26 ST.
MIAMI, FLA.

33142

C

1271

EXHIBIT
U.S. DIST. CT.
S.D. OF FLA.

OLD BALANCE	CHECKS	DEPOSITS	BALANCE
		BALANCE FORWARDED	
	.04-CH 6,000.00-		
	10,000.00-/-	28,311.11+	DEC 3'71 12,311.07*
12,311.07+	1,500.00-		DEC 7'71 10,811.07*
10,811.07+	1,076.00-		DEC 8'71 9,735.07*
9,735.07+	713.84-		DEC 8'71 9,021.23*
9,021.23+	800.00- 1,000.00-		DEC 9'71 7,221.23*
7,221.23+	4,300.00- 1,000.00-		DEC 15'71 921.23*
	1,000.00-		
921.23+	500.00-		DEC 22'71 421.23*
421.23+	286.00-		DEC 23'71 135.23*
135.23+		4,446.00+	DEC 28'71 4,581.23*
4,581.23+	2,760.00-		DEC 29'71 1,821.23*
1,821.23+	6,000.00-		DEC 31'71 4,178.77=
1,821.23+	6,000.00+PT		DEC 31'71 1,821.23*
1,821.23+	6,000.00-	5,000.00+	JAN 4'72 821.23*
821.23+	2.00-SC		JAN 6'72 819.23*
819.23+	3,500.00-		JAN 7'72 2,680.77=
	3,500.00+PT		JAN 7'72 819.23*
819.23+	3,500.00-		JAN 13'72 2,680.77=
818.23+	3,500.00+PT		JAN 13'72 819.23*
	3.00-CH		JAN 17'72 815.23*
816.23+	550.00-		JAN 17'72 816.23*
366.23+	300.00-	100.00+	JAN 18'72 266.23*
66.23+	95.20-		JAN 20'72 366.23*
			JAN 21'72 66.23*
			FEB 1'72 22.07=

PEOPLES HIRLECH NATIONAL BANK
HIALEAH, FLORIDA

Charles
Manning 20

1271

PEOPLES HIGH SCHOOL NATIONAL BOARD

Dommerich Division
110 East 59th Street
New York, N. Y. 10022

Commercial Finance Department

id

2

Schedule of Assigned Receivables

EXHIBIT ¹⁰
U.S. DIST. COURT
S.D. OF N.Y.

#6

Assigned By: 2612 Litch Corp. of America

Schedule No.
11-23-71
Date

Previous total this month charges

\$ 81,308.21

Amount of this sheet

\$ 12,999.87

Total charges to date this month

\$ 94,308.08

SB 12,754.77

List credits separately and specify date and terms of original invoice

Invoice Date		Invoice No.	Name of Debtor	Address	Gross Invoice Amount		Do Not Write In This Space
Month	Day						
11	22	16254	Coca Cola	301 N. W. 29th St.	61	50	
11	22	55	" "	" "	116	25	
11	22	56	" "	" "	589	00	
11	22	57	" "	" "	79	00	
11	22	58	" "	" "	79	00	
11	22	59	" "	" "	115	20	
11	22	60	" "	" "	291	20	
11	22	61	" "	" "	291	20	
11	22	62	The Carver's	62nd St. & Collins	61	83	
11	22	63	Sam-Wan	5300 N. W. 163rd St	296	40	
11	22	64	Kandy & Mhu	2000 N. 30th Ave	172	14	
11	23	65	Sam-Wan	5300 N. W. 163rd St	572	65	
11	23	66	Bill Page Co.	1499 71 E. 4th Ave	132	00	
11	23	67	" "	" "	441	00	
11	23	68	On Market Mkt	Indian Creek Rd at 1-7th St	364	00	
11	23	69	Compass Bldg	31 Main St.	758	00	
11	23	16270	Little & Co, Inc	P.O. Box 1766	1,200	00	
"	"	16271	" "	" "	1,200	00	
"	23	72	Edwin S. S. Inc	350 Lincoln St.	2	00	
11	23	73	McCallum Val	2900 N. W. 77th St.	1,119	00	
11	23	74	" "	" "	492	00	
Total							

Please execute assignment by authorized signature on reverse side

To: CHEMICAL BANK—DOMMERICH DIVISION

FOR VALUE RECEIVED, and to secure the payment of any of our present or future indebtedness to you we have assigned, transferred, pledged and set over and do hereby assign, transfer, pledge and set over to you, your successors and assigns, the accounts and claims set forth on the reverse side hereof representing obligations either of our own customers to us or of customers of others to them which we have acquired (all hereinafter referred to as "receivables"), arising out of the sale of merchandise and/or the lease of personal property and/or the rendition of services to said customers in the ordinary course of business, and all of our right, title and interest in and with respect thereto and the merchandise represented thereby, and all causes of action and rights in connection therewith which we now have or may hereafter acquire, including the right of stoppage in transit, replevin and reclamation and as an unpaid vendor, and in and with respect to any new receivable created through resale or exchange of such merchandise.

And we hereby constitute and appoint you, our true and lawful attorney irrevocable in our name or otherwise, but to your own use and benefit to collect, sell, assign, transfer, set over, compromise or discharge the whole or any part of each said receivable and/or any such new receivable and also, at your option, to sell any and all of said merchandise in any wise above mentioned at public or private sale without notice, at such prices and upon such terms and conditions as you shall determine and to assign and transfer the merchandise thus sold; and for such purposes to do all acts and things necessary or proper in the premises and to constitute one or more persons with like power, hereby ratifying and confirming all that you, our said attorney, or your substitute or substitutes shall lawfully do by virtue hereof.

We hereby represent and warrant as to each of said assigned receivables: that it is just, true and correct; that it represents a bona fide and existing obligation of the customer, arising out of the sale of merchandise and/or rendition of services in the ordinary course of business, free and clear of all liens and encumbrances and owned by and owing to us without defense, offset or counter-claim; that no payment has been made thereon; that the terms of credit are as set forth therein and that all invoices or bills rendered by us for said receivables shall have, at your request, stated upon the face thereof that they are assigned and payable to you; if any payments should be made directly to us on account of any receivables assigned hereby, we will forthwith turn over to you the identical checks or other forms of payment so received.

We hereby agree that if the said receivables are not paid by each debtor when due we will pay the amount or any part thereof that remains unpaid whether or not the failure of the debtor to pay shall be for credit or any other reasons, and that you, at your option may charge the part remaining unpaid against our account with you; and that any or all of said merchandise that may be returned, rejected or reconsigned will be held by us as your property, and upon demand at once delivered to you, until and unless the invoice value of said merchandise and any and all other indebtedness of the undersigned to you, present or future shall have been paid to you, and we further agree promptly to make payment for said returned, rejected or reconsigned merchandise or in the event of a resale by you, we will promptly pay to you the difference between the amount realized from such resale and the invoice value of said merchandise as set forth in the statement on the reverse hereof.

This instrument has been executed in furtherance of the existing agreement between us.

IN WITNESS WHEREOF, we have hereunto set our hand and seal this

day of 11/22 1971 (L.S.)

York Sales Corp of America
Firm Name

By *[Signature]*
Authorized Signature Title

Commercial Finance Department

Schedule of Assigned Receivables

Assigned By:

The N. L. Co. of America

Schedule No. _____

Date _____

Previous total this month charges \$ _____

Amount of this sheet ⑥ \$ _____

Total charges to date this month \$ _____

List credits separately and specify date and terms of original invoice

 Please execute assignment by author's signature on reverse side

To: CHEMICAL BANK—DOMMERICH DIVISION

FOR VALUE RECEIVED, and to secure the payment of any of our present or future indebtedness to you we have assigned, transferred, pledged and set over and do hereby assign, transfer, pledge and set over to you, your successors and assigns, the accounts and claims set forth on the reverse side hereof representing obligations either of our own customers to us or of customers of others to them which we have acquired (all hereinafter referred to as "receivables"), arising out of the sale of merchandise and/or the lease of personal property and/or the rendition of services to said customers in the ordinary course of business, and all of our right, title and interest in and with respect thereto and the merchandise represented thereby, and all causes of action and rights in connection therewith which we now have or may hereafter acquire, including the right of stoppage in transit, replevin and reclamation and as an unpaid vendor, and in and with respect to any new receivable created through resale or exchange of such merchandise.

And we hereby constitute and appoint you, our true and lawful attorney irrevocable in our name or otherwise, but to your own use and benefit to collect, sell, assign, transfer, set over, compromise or discharge the whole or any part of each said receivable and/or any such new receivable and also, at your option, to sell any and all of said merchandise in any wise above mentioned at public or private sale without notice, at such prices and upon such terms and conditions as you shall determine and to assign and transfer the merchandise thus sold; and for such purposes to do all acts and things necessary or proper in the premises and to constitute one or more persons with like power, hereby ratifying and confirming all that you, our said attorney, or your substitute or substitutes shall lawfully do by virtue hereof.

We hereby represent and warrant as to each of said assigned receivables: that it is just, true and correct; that it represents a bona fide and existing obligation of the customer, arising out of the sale of merchandise and/or rendition of services in the ordinary course of business, free and clear of all liens and encumbrances and owned by and owing to us without defense, offset or counter-claim; that no payment has been made thereon; that the terms of credit are as set forth therein and that all invoices or bills rendered by us for said receivables shall have, at your request, stated upon the face thereof that they are assigned and payable to you. If any payments should be made directly to us on account of any receivables assigned hereby, we will forthwith turn over to you the identical checks or other forms of payment so received.

We hereby agree that if the said receivables are not paid by each debtor when due we will pay the amount or any part thereof that remains unpaid whether or not the failure of the debtor to pay shall be for credit or any other reasons, and that you, at your option may charge the part remaining unpaid against our account with you; and that any or all of said merchandise that may be returned, rejected or reconsigned will be held by us as your property, and upon demand at once delivered to you, until and unless the invoice value of said merchandise and any and all other indebtedness of the undersigned to you, present or future shall have been paid to you, and we further agree promptly to make payment for said returned, rejected or reconsigned merchandise or in the event of a resale by you, we will promptly pay to you the difference between the amount realized from such resale and the invoice value of said merchandise as set forth in the statement on the reverse hereof.

This instrument has been executed in furtherance of the existing agreement between us.

IN WITNESS WHEREOF, we have hereunto set our hand and seal this


day of 11/23 1971 (L.S.)

York Litho Corp of America
By *[Signature]*
Authorized Signature Title

GOVERNMENT

id

2-1

EXHIBIT **ID**U.S. DIST. COURT
S.D. OF N.Y.YORK LITHO CORPORATION
OF AMERICALittle & Co., Inc.
P. O. Box 1752
Winter Haven, Florida **york litho**
13901 N.W. 58th COURT
HIALEAH, FLORIDA 33014
(305) 823-9670

INVOICE NO. 17	DATE 11-22-71	YOUR ORDER NO. 12-77	OUR ORDER NO.	SHIPPED TO		TERMS: NET CASH 30 Days
QUANTITY	DESCRIPTION				UNIT PRICE	EXTENSION
	46 Oz. Punch Labels				\$4.50..	1,800.00
	Holding in inventory for Deep South Products, Inc.					
	THIS ACCOUNT HAS BEEN ASSIGNED TO L F. DOMMERICH & CO., INC. 488 FIFTH AVE., NEW YORK 17, N. Y.					

Little, Inc.
Florida

2-1-A

EXHIBIT **20**
U.S. DIST. COURT
S.D. OF N.Y.

11-2-71 12-77

Track 30

46 Oz. Lunch Labels

1,000.00

Holding in inventory for Deep South
Products, Inc.

S-34

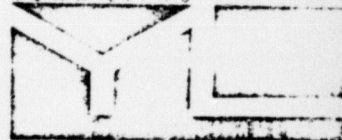
DELIVERY RECORD

DATE 1-21 1967

TO

RECEIVED FROM

YORK LETHO



JOB NO.	QUANTITY	ITEM
	100 m	16 oz. Paper Envelopes

GOVERNMENT
ID

2-2-A

EXHIBIT ID

U.S. DIST. CT.
S.D. OF N.Y.

GOVERNMENT
id

2-2-A

EXHIBIT **D**

U.S. DIST. C.

S. D. OF N. Y.

RECEIVED BY

GOVERNMENT

id


2-3

EXHIBIT 20

S.O. OF N.Y.

YORK LITHO CORPORATION
OF AMERICA

Little & Co., Inc.
P. O. Box 1750
Winter Haven, Florida

 **york litho**
13901 N.W. 58th COURT
HIALEAH, FLORIDA 33014
(305) 823-9670

INVOICE NO.	DATE	YOUR ORDER NO.	OUR ORDER NO.	SHIPPED TO	TERMS: NET CA
1271	11-22-71	12-77		Truck	

QUANTITY	DESCRIPTION	UNIT PRICE	EXTENSION
400M	46 oz. Pineapple-Grapefruit Drink Labels	\$4.50M	\$1,800.00
<p>Thank-You</p> <p>THIS ACCOUNT HAS BEEN ASSIGNED TO L. F. DOMMERICH & CO., INC. 688 FIFTH AVE., NEW YORK 17, N. Y.</p>			

GOVERNMENT

id

2-3-A

Little B. Co., Inc.
11-23-71
Winter Haven, Florida

EXHIBIT 20
U.S. DIST. COURT
S.D. OF N.Y.

071 11-23-71 12-77

Truck 30 days

400M - 46 oz. Pineapple-Grapefruit
Drink Labels

24.50.

31.800.

Thank-You

✓ J-34

DATE 9/2/51 1967

TO _____

YORK FITHO

[illegible]

2-4-A.

EXHIBIT ~~10~~
U.S. DIST. COURT
S.D. OF N.Y.

RECEIVED BY

Dommerich Division
110 East 59th Street
New York, N. Y. 10022

Commercial Finance Department

EXHIBIT ~~20~~
U.S. DIST. COURT
S.D. OF N.Y.

Schedule of Assigned Receivables

Assigned By:

York Lino Corp. of America

Schedule No.

12-2-71

Date

Previous total this month charges

\$ *15,058.80*

Amount of this sheet

\$

Total charges to date this month

\$

53 30

List credits separately and specify date and terms of original invoice

Invoice Date		Invoice No.	Name of Debtor	Address	Gross Invoice Amount	Do Not Write In This Space
Month	Day					
<i>12</i>	<i>2</i>	<i>1658</i>	<i>Wallace Chero.</i>	<i>5301 Thurgood Ave.</i>	<i>508.50</i>	<i>-</i>
<i>12</i>	<i>2</i>	<i>09</i>	<i>"</i>	<i>"</i>	<i>231.00</i>	<i>-</i>
<i>12</i>	<i>2</i>	<i>10</i>	<i>"</i>	<i>"</i>	<i>169.50</i>	<i>-</i>
<i>12</i>	<i>2</i>	<i>11</i>	<i>"</i>	<i>"</i>	<i>144.00</i>	<i>-</i>
<i>12</i>	<i>2</i>	<i>12</i>	<i>"</i>	<i>"</i>	<i>144.00</i>	<i>-</i>
<i>12</i>	<i>2</i>	<i>13</i>	<i>"</i>	<i>"</i>	<i>144.00</i>	<i>-</i>
<i>12</i>	<i>2</i>	<i>14</i>	<i>"</i>	<i>"</i>	<i>144.00</i>	<i>-</i>
<i>12</i>	<i>2</i>	<i>15</i>	<i>"</i>	<i>"</i>	<i>139.50</i>	<i>-</i>
<i>12</i>	<i>2</i>	<i>16</i>	<i>"</i>	<i>"</i>	<i>169.50</i>	<i>-</i>
<i>12</i>	<i>2</i>	<i>17</i>	<i>"</i>	<i>"</i>	<i>222.00</i>	<i>-</i>
<i>12</i>	<i>2</i>	<i>18</i>	<i>"</i>	<i>"</i>	<i>222.00</i>	<i>-</i>
<i>12</i>	<i>2</i>	<i>19</i>	<i>Medallion Ind.</i>	<i>P.O. Box 427</i>	<i>1,672.00</i>	<i>-</i>
Total					<i>15,058.80</i>	

POSTED

Please execute assignment by authorized signature on reverse side

To: CHEMICAL BANK—DOMMERICH DIVISION

FOR VALUE RECEIVED, and to secure the payment of any of our present or future indebtedness to you we have assigned, transferred, pledged and set over and do hereby assign, transfer, pledge and set over to you, your successors and assigns, the accounts and claims set forth on the reverse side hereof representing obligations either of our own customers to us or of customers of others to them which we have acquired (all hereinafter referred to as "receivables"), arising out of the sale of merchandise and/or the lease of personal property and/or the rendition of services to said customers in the ordinary course of business, and all of our right, title and interest in and with respect thereto and the merchandise represented thereby, and all causes of action and rights in connection therewith which we now have or may hereafter acquire, including the right of stoppage in transit, replevin and reclamation and as an unpaid vendor, and in and with respect to any new receivable created through resale or exchange of such merchandise.

And we hereby constitute and appoint you, our true and lawful attorney irrevocable in our name or otherwise, but to your own use and benefit to collect, sell, assign, transfer, set over, compromise or discharge the whole or any part of each said receivable and/or any such new receivable and also, at your option, to sell any and all of said merchandise in any wise above mentioned at public or private sale without notice, at such prices and upon such terms and conditions as you shall determine and to assign and transfer the merchandise thus sold; and for such purposes to do all acts and things necessary or proper in the premises and to constitute one or more persons with like power, hereby ratifying and confirming all that you, our said attorney, or your substitute or substitutes shall lawfully do by virtue hereof.

We hereby represent and warrant as to each of said assigned receivables: that it is just, true and correct; that it represents a bona fide and existing obligation of the customer, arising out of the sale of merchandise and/or rendition of services in the ordinary course of business, free and clear of all liens and encumbrances and owned by and owing to us without defense, offset or counter-claim; that no payment has been made thereon; that the terms of credit are as set forth therein and that all invoices or bills rendered by us for said receivables shall have, at your request, stated upon the face thereof that they are assigned and payable to you. If any payments should be made directly to us on account of any receivables assigned hereby, we will forthwith turn over to you the identical checks or other forms of payment so received.

We hereby agree that if the said receivables are not paid by each debtor when due we will pay the amount or any part thereof that remains unpaid whether or not the failure of the debtor to pay shall be for credit or any other reasons, and that you, at your option may charge the part remaining unpaid against our account with you; and that any or all of said merchandise that may be returned, rejected or reconsigned will be held by us as your property, and upon demand at once delivered to you, until and unless the invoice value of said merchandise and any and all other indebtedness of the undersigned to you, present or future shall have been paid to you, and we further agree promptly to make payment for said returned, rejected or reconsigned merchandise or in the event of a resale by you, we will promptly pay to you the difference between the amount realized from such resale and the invoice value of said merchandise as set forth in the statement on the reverse hereof.

This instrument has been executed in fulfillment of the existing agreement between us.

IN WITNESS WHEREOF, we have hereunto set our hand and seal this

day of 19.....

(L.S.)

Firm Name _____
By AS Human _____ PILES
Authorized Signature Title

Dommerich Division
110 East 59th Street
New York, N. Y. 10022

Commercial Finance Department

Schedule of Assigned Receivables

Assigned By:

Charles Linton Perry & Co. (America)

#1

Schedule No.

12-2-7

Date

Previous total this month charges \$

Amount of this sheet \$

Total charges to date this month \$

List credits separately and specify date and terms of original invoice

Invoice Date		Invoice No.	Name of Debtor	Address	Gross Invoice Amount		Do Not Write In This Space
Month	Day						
12	2	1227	Coastal Chem.	P.O. Box 1778, Ha	75	50	-
12	2	88	"	"	117	10	-
12	2	89	"	"	1,227	50	-
12	2	90	"	"	256	50	-
12	2	91	"	"	352	90	-
12	2	92	"	"	241	30	-
12	2	93	Ball Paper Co.	6899 R. 2, 44 Ave	539	00	-
12	2	94	"	"	1,065	00	-
12	2	95	Doc. Industries	1257 E. 1st St	275	50	-
12	2	96	Sheldahl Ind	1190 W. 3rd, 159th St	525	00	-
12	2	97	United Bus. Forms	P.O. Box 2106	25	00	-
12	2	98	Wallace Chem.	5301 Shuman Ave	144	00	-
12	2	99	Laid Retard	3421 E. 7th, 21st St	2,921	10	> ✓
12	2	1000	Wallace Chem	5301 Shuman Ave	169	50	-
12	2	01	"	"	231	00	-
12	2	02	"	"	144	00	-
12	2	03	"	"	169	50	-
12	2	04	"	"	693	00	-
12	2	05	"	"	329	00	-
12	2	06	"	"	169	50	-
12	2	07	"	"	277	00	-
Total							

Please execute assignment by authorized signature on reverse side

To: CHEMICAL BANK-DÖMMERICH DIVISION

FOR VALUE RECEIVED, and to secure the payment of any of our present or future indebtedness to you we have assigned, transferred, pledged and set over and do hereby assign, transfer, pledge and set over to you, your successors and assigns, the accounts and claims set forth on the reverse side hereof representing obligations either of our own customers to us or of customers of others to them which we have acquired (all hereinafter referred to as "receivables"), arising out of the sale of merchandise and/or the lease of personal property and/or the rendition of services to said customers in the ordinary course of business, and all of our right, title and interest in and with respect thereto and the merchandise represented thereby, and all causes of action and rights in connection therewith which we now have or may hereafter acquire, including the right of stoppage in transit, replevin and reclamation and as an unpaid vendor, and in and with respect to any new receivable created through resale or exchange of such merchandise.

And we hereby constitute and appoint you, our true and lawful attorney irrevocable in our name or otherwise, but to your own use and benefit to collect, sell, assign, transfer, set over, compromise or discharge the whole or any part of each said receivable and/or any such new receivable and also, at your option, to sell any and all of said merchandise in any wise above mentioned at public or private sale without notice, at such prices and upon such terms and conditions as you shall determine and to assign and transfer the merchandise thus sold; and for such purposes to do all acts and things necessary or proper in the premises and to constitute one or more persons with like power, hereby ratifying and confirming all that you, our said attorney, or your substitute or substitutes shall lawfully do by virtue hereof.

We hereby represent and warrant as to each of said assigned receivables, that it is just, true and correct; that it represents a bona fide and existing obligation of the customer, arising out of the sale of merchandise and/or rendition of services in the ordinary course of business, free and clear of all liens and encumbrances and owned by and owing to us without defense, offset or counter-claim; that no payment has been made thereon; that the terms of credit are as set forth therein and that all invoices or bills rendered by us for said receivables shall have, at your request, stated upon the face thereof that they are assigned and payable to you. If any payments should be made directly to us on account of any receivables assigned hereby, we will forthwith turn over to you the identical checks or other forms of payment so received.

We hereby agree that if the said receivables are not paid by each debtor when due we will pay the amount or any part thereof that remains unpaid whether or not the failure of the debtor to pay shall be for credit or any other reasons, and that you, at your option may charge the part remaining unpaid against our account with you; and that any or all of said merchandise that may be returned, rejected or reconsigned will be held by us as your property, and upon demand at once delivered to you, until and unless the invoice value of said merchandise and any and all other indebtedness of the undersigned to you, present or future shall have been paid to you, and we further agree promptly to make payment for said returned, rejected or reconsigned merchandise or in the event of a resale by you, we will promptly pay to you the difference between the amount realized from such resale and the invoice value of said merchandise as set forth in the statement on the reverse hereof.

This instrument has been executed in furtherance of the existing agreement between us.

IN WITNESS WHEREOF, we have hereunto set our hand and seal this
day of 19..... (L.S.)

Firm Name _____
By PSL _____ Title PRES
Authorized Signature _____

GOVERNMENT


id

3-1

EXHIBIT ~~10~~
U.S. DIST. COURT
S.D. OF N.Y.

YORK LITHO CORPORATION
OF AMERICA

Let's ...
347 ... 58th Street
Miami, Florida

 **york litho**
13901 N.W. 58th COURT
HIALEAH, FLORIDA 33014
(305) 823-9670

INVOICE NO. 6299	DATE 11-3-71	YOUR ORDER NO.	OUR ORDER NO. 2597	SHIPPED TO	Truck	TERMS: NET CA 20
QUANTITY	DESCRIPTION			UNIT PRICE	EXTENSION	
100M	Freedom Posters <					

THIS ACCOUNT HAS BEEN ASSIGNED TO
L. F. DOMMERICH & CO., INC.
485 FIFTH AVE., NEW YORK 17, N. Y.

3-1-A

EXHIBIT 20
U.S. DIST. COURT
S.D. OF N.Y.

street

16299

12-2-71

197

truck

30 days

100M

Person posters

\$3,221.00

Thank-You

8-35

holding in inventory.

iv

3-2

DELIVERY RECORD

RECEIVED 1974

047:

12/1 1967

77

Leah P. Lee

YORK LITHO

RECEIVED BY

DELIVERY RECORD

DATE 1/18 1967

TO

RECEIVED FROM

YORK LITHO

**JOHN M. RICE**[illegible]

GOVERNMENT

ici

3-2-A

U.S. DISTRICT COURT
S.D. OF N.Y.

RECEIVED BY

To: CHEMICAL BANK-DOMMERICH DIVISION

FOR VALUE RECEIVED, and to secure the payment of any of our present or future indebtedness to you we have assigned, transferred, pledged and set over and do hereby assign, transfer, pledge and set over to you, your successors and assigns, the accounts and claims set forth on the reverse side hereof representing obligations either of our own customers to us or of customers of others to them which we have acquired (all hereinafter referred to as "receivables"), arising out of the sale of merchandise and/or the lease of personal property and/or the rendition of services to said customers in the ordinary course of business, and all of our right, title and interest in and with respect thereto and the merchandise represented thereby, and all causes of action and rights in connection therewith which we now have or may hereafter acquire, including the right of stoppage in transit, replevin and reclamation and as an unpaid vendor, and in and with respect to any new receivable created through resale or exchange of such merchandise.

And we hereby constitute and appoint you, our true and lawful attorney irrevocable in our name or otherwise, but to your own use and benefit to collect, sell, assign, transfer, set over, compromise or discharge the whole or any part of each said receivable and/or any such new receivable and also, at your option, to sell any and all of said merchandise in any wise above mentioned at public or private sale without notice, at such prices and upon such terms and conditions as you shall determine and to assign and transfer the merchandise thus sold; and for such purposes to do all acts and things necessary or proper in the premises and to constitute one or more persons with like power, hereby ratifying and confirming all that you, our said attorney, or your substitute or substitutes shall lawfully do by virtue hereof.

We hereby represent and warrant as to each of said assigned receivables: that it is just, true and correct; that it represents a bona fide and existing obligation of the customer, arising out of the sale of merchandise and/or rendition of services in the ordinary course of business, free and clear of all liens and encumbrances and owned by and owing to us without defense, offset or counter-claim; that no payment has been made thereon; that the terms of credit are as set forth therein and that all invoices or bills rendered by us for said receivables shall have, at your request, stated upon the face thereof that they are assigned and payable to you. If any payments should be made directly to us on account of any receivables assigned hereby, we will forthwith turn over to you the identical checks or other forms of payment so received.

We hereby agree that if the said receivables are not paid by each debtor when due we will pay the amount or any part thereof that remains unpaid whether or not the failure of the debtor to pay shall be for credit or any other reasons, and that you, at your option may charge the part remaining unpaid against our account with you; and that any or all of said merchandise that may be returned, rejected or reconsigned will be held by us as your property, and upon demand at once delivered to you, until and unless the invoice value of said merchandise and any and all other indebtedness of the undersigned to you, present or future shall have been paid to you, and we further agree promptly to make payment for said returned, rejected or reconsigned merchandise or in the event of a resale by you, we will promptly pay to you the difference between the amount realized from such resale and the invoice value of said merchandise as set forth in the statement on the reverse hereof.


This instrument has been executed in furtherance of the existing agreement between us.

IN WITNESS WHEREOF, we have hereunto set our hand and seal this day of 1971. (L.S.)

Firm Name Bank L-140
By [Signature]
Authorized Signature Title

YORK LITHO CORPORATION
OF AMERICA

Adding Machine
855 N.W. 44th Avenue
Miami, Florida

 **york litho**

13901 N.W. 58th COURT
HIALEAH, FLORIDA 33014
(305) 823-9670

ICE NO. 428	DATE 12-31-71	YOUR ORDER NO.	OUR ORDER NO. 3619	SHIPPED TO	Truck		TERMS: NET CASH 30 Days
QUANTITY	DESCRIPTION				UNIT PRICE	EXTENSION	
25M	Furniture Catalogues					\$4,108.00	
	Thank-You						
THIS ACCOUNT HAS BEEN ASSIGNED TO L. F. DOMMERICH & CO., INC. 465 FIFTH AVE., NEW YORK 17, N. Y.				GOVERNMENT id 11-1 EXHIBIT U.S. DIST. COURT S.D. OF N.Y.			

GOVERNMENT
id

Adding Machine
855 N.W. 44th Avenue
Miami, Florida

11-1-A

EXHIBIT ~~IN~~
U.S. DIST. C.
S.D. OF N.Y.

16428 12-31-71 3619

Truck 30 Day

254 Furniture Catalogues \$4,108.00

Thank-You

S-38

DATE 12/30 1967

TO Adding Machine

YORK LITHO

[illegible]

RECEIVED BY

DATE 1/15 1967

TO William H. H. H. H.

YORK LITHO

[illegible]

ic

11-2-A

EXHIBIT **ED**
JUL 10 1964
N. Y. C. L. Y.

RECEIVED BY

YORK LITHO CORPORATION
OF AMERICA

Leigh Robins, Inc.
3401 N.W. 36th Street
Miami, Florida

8 york litho

13901 N.W. 58th COURT
HIALEAH, FLORIDA 33014
(305) 823-9670

NO.	DATE	YOUR ORDER NO.	OUR ORDER NO.	SHIPPED TO	TERMS: NET CASH	
29	12-31-71		3618		Truck	30 Days
QUANTITY	DESCRIPTION			UNIT PRICE	EXTENSION	
00M	Cedar Fund Raising Brochure				\$4,312.00	
	Thank-You					
	THIS ACCOUNT HAS BEEN ASSIGNED TO L. F. DOMMERICH & CO., INC. 365 FIFTH AVE., NEW YORK 17, N. Y.					

GOVERNMENT
id

11-3

EXHIBIT 20

S.O. OF N.Y.

Leigh Robins, Inc.
3401 N.W. 25th Street
Miami, Florida

GOVERNMENT

11-3-A

EXHIBIT **10**
U.S. DIST. CT.
S.D. OF N.Y.

16429 12-31-71

3618

Truck 30 Days

100M

Cedar Fund Raising Brochure

\$4,312.00

Thank-You

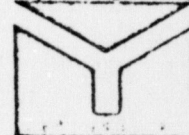
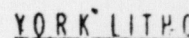
3-38

DELIVERY RECORD

RECEIVED FROM

DATE 12/29 196

TO Sergey Robinson

[illegible]

RECEIVED BY:

GOVERNMENT

2

11-4

EXHIBIT

U.S. DIST. C.

S. D. OF N. Y.

DELIVERY RECORD

RECEIVED FROM

DATE 2/1/68 1968

TO LEIGH POWERS

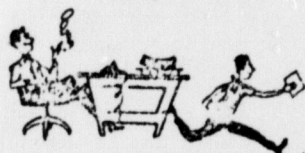
YORK LITHO

[illegible]

RECEIVED BY

11-4-A

EXHIBIT 72
DIST. COURT
N.Y. OF N.Y.



3-21-72

From the desk of

Fitch Turner

CON R. LITTLE, JR.

This invoice (attached) is
completely invalid. Please
cancel credit memo to get
it off your books.

Regards,

Love

USA 33s - 475
(ED. 4-23-71)

GOVERNMENT'S

EXHIBIT

U. S. DIST. COURT

S. D. OF N. Y.

23-A

FPI-M-1074-30M-2001

THIS COLOUR

YORK LITHO CORP. OF AMERICA

823-6082

PLEASE RETURN THIS SLIP WITH YOUR REMITTANCE

SHAW-WALKER T FORM A/C II NG
PLEASE DISREGARD NOTICE IF PAID

180

SECURITY AGREEMENT

[Equipment]

YORK LITHO CORPORATION OF AMERICA

(herein called "Debtor")

and

CHEMICAL BANK - DOMMERICH DIVISION

(herein called "Secured Party")

hereby agree as follows:

1. Debtor grants to Secured Party a security interest in the following Equipment (herein called "Collateral"):

A. All of Debtor's present machinery, equipment, furniture, tools, dies, jigs, and attachments (including, but not limited to, the items listed and described on the Schedule of Equipment annexed); and

B. All of Debtor's additional Equipment, of like or unlike nature, to be acquired hereafter pursuant to this Security Agreement or otherwise, and all replacements, accessions, and improvements to any of the foregoing.

2. Said security interest shall secure (1) the payment of Debtor's indebtedness in the principal amount of \$60,000. and interest, evidenced by note of even date herewith.

(2) all other existing debts and liabilities of Debtor to Secured Party; (3) all future advances made by Secured Party to or for the account of Debtor, including advances for insurance, repairs to and maintenance of the Collateral, taxes, and discharge of any other lien, security interest or encumbrance; (4) all other indebtedness, however created, arising, or acquired by Secured Party, which Debtor may now or hereafter owe to Secured Party; and (5) all costs and expenses incurred in the collection of any of the foregoing, including reasonable attorneys' fees.

3. Until default hereunder, Debtor shall be entitled to possession of the Collateral, which shall be kept only at

5630 N. W. 36th Avenue

Miami

Florida

(Street)

(City)

(County)

(State)

and the following additional addresses (if any)

4. Debtor warrants, covenants and agrees that: (1) Debtor is the sole owner of the Collateral free from any lien, security interest or encumbrance, has the right to grant Secured Party a security interest therein, and will defend the Collateral against the claims and demands of all persons; (2) Debtor shall not sell, lease, encumber, remove, conceal or grant or permit any further security interest in the Collateral, nor part with possession of any thereof, nor permit the same to be used for hire nor in violation of any law or ordinance; (3) Debtor shall maintain the Collateral in good condition and repair at Debtor's sole expense; (4) Debtor will pay all taxes levied on the Collateral, and will make due and timely payment of deposit of all Federal, State, and local taxes, assessments or contributions required by law and will execute and deliver to Secured Party, on demand, appropriate Certificates attesting to the payment or deposit thereof; (5) No financing statement covering the Collateral, or any part thereof, is on file in any public office, and Debtor's present or hereafter-acquired Collateral is and shall not be or become subject to any purchase-money or other lien or security interest except in favor of Secured Party; (6) Debtor shall procure and maintain insurance on the Collateral for the full term of this security agreement, against the risk of fire, theft and such other risks as Secured Party may require (including the risk of collision in case any part of the Collateral is a motor vehicle) by insurers satisfactory to Secured Party, and shall deliver to Secured Party a fully paid policy or policies of insurance properly endorsed in favor of Secured Party; (7) Debtor will permit Secured Party to inspect the Collateral at any time; (8) Loss, theft, damage, destruction or seizure of the Collateral shall not relieve the Debtor from the payment of an indebtedness secured hereby; (9) The Collateral is not now and will not hereafter be so affixed to realty as to become a part thereof or a fixture; (10) The execution and delivery hereof, if Debtor is a corporation, has been duly authorized by all necessary action of Debtor's directors and shareholders; (11) Secured Party is authorized to execute and file, at Debtor's cost, such financing statements and other instruments or documents as may be necessary to perfect and protect Secured Party's security interest; and (12) In case of Debtor's default in performing any warranty, covenant, or undertaking hereunder, Secured Party may (but shall not be obliged to) procure the performance thereof and add the cost thereof, with interest, to the indebtedness secured hereby.

5. The occurrence of any of the following events or conditions shall, at the option of Secured Party and without notice or demand, constitute an event of default hereunder: (1) Default in the due payment of any indebtedness secured hereby; or (2) Failure of Debtor to perform any covenant or undertaking on Debtor's part herein; or (3) Breach of any warranty or falsity of any representation made by Debtor to Secured Party; or (4) Attachment or seizure of or lien upon the Collateral; or (5) Institution of any proceeding by or against Debtor or Debtor's business under any bankruptcy or insolvency statute, or Debtor's assignment for benefit of creditors, or the appointment of a receiver for Debtor or the Collateral, or the filing of a tax lien notice against Debtor by any taxing authority; or (6) Reasonable insecurity of Secured Party; or (7) Loss, theft, substantial damage, destruction, sale, encumbrance, concealment, removal, or forfeiture of the Collateral or any material portion thereof.

6. Upon the occurrence of any event of default, Secured Party may declare all Debtor's indebtedness secured hereby immediately due and payable, and thereupon Secured Party shall have the right to take possession of the Collateral and shall have all other rights and remedies of a Secured Party under the Uniform Commercial Code. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Secured Party shall give Debtor reasonable notice of the time and place of any public sale thereof or of the time at which any private sale or other intended disposition thereof is to be made. Debtor agrees that the requirements of reasonable notice shall be met if notice is mailed to Debtor at the address of Debtor shown below not less than five (5) days prior to the sale or other disposition. Expenses of retaking, holding, preparing for sale, selling, or the like shall include Secured Party's reasonable attorneys' fees and legal expenses. Secured Party may require Debtor to assemble the Collateral and make it available to Secured Party at a place to be designated by Secured Party which is reasonably convenient to both parties. Secured Party is authorized to maintain, sell, or dispose of the Collateral on the premises of the Debtor. Secured Party's rights and remedies shall be cumulative and not alternative.

7. This Security Agreement shall be construed and enforced according to the laws of the State of New York. Waiver of any default shall not constitute waiver of any subsequent or other default. All rights and remedies of Secured Party shall inure to the benefit of its successors and assigns, and all obligations of Debtor shall bind his or its heirs, executors, personal representatives, successors and assigns.

Dated: JANUARY 25, 1971

Debtor: YORK LITHO CORPORATION OF AMERICA

by X

Sheldon Turner

typed or printed name of Debtor

President

Title of Debtor

Debtor's Mailing Address: 5630 N. W. 36th Avenue

Miami, Florida

Secured Party:

CHEMICAL BANK - DOMMERICH DIVISION

by X

Eugene Perl

typed or printed name of Secured Party

Vice President

Title of Secured Party

Secured Party's Mailing Address: 110 East 59th Street

New York, New York 10022

RIDER to Security Agreement 25th day of JANUARY, 1971
between YORK LITHO CORPORATION OF AMERICA
as Debtor and CHEMICAL BANK - DOMMERICH DIVISION as Secured Party.

8. In addition to the provisions of Paragraph "5" of the printed agreement, the occurrence of any one of the following events or conditions shall at the Secured Party's option and without notice constitute an event of default; (1) discontinuance of business; (2) calling a meeting of creditors; (3) attachment or seizure or levy upon any of the property of the Debtor; (4) failure of the Debtor to perform any covenant or undertaking on Debtor's part in this or any other Agreement; (5) breach of any warranty or falsity of representation made by the Debtor to the Secured Party in this or any other Agreement or any representation or warranty made to induce the Secured Party to enter into this Agreement or any other Agreement; (6) any reduction in the value of the collateral or any act of the Debtor which imperils the prospect of full performance or satisfaction of the Debtor's obligation; (7) any event which results in the acceleration of the maturity of the indebtedness of the Debtor to others under any Agreement or undertaking.

9. The Secured Party may assign this Agreement and if assigned, the assignee shall be entitled, upon notifying the Debtor, to performance of all of the Debtor's obligations and agreements hereunder, and the Assignee shall be entitled to all rights and remedies of the Secured Party hereunder. The Debtor will assert no claims or defenses that the Debtor may have against the Assignee.

10. The Uniform Commercial Code as presently or hereafter in effect in the State of New York shall govern the rights, duties and remedies of the parties and any provisions herein declared invalid under any law shall not invalidate any other provisions of this Agreement.

11. Notice to either party shall be in writing and shall be delivered personally or be registered or certified mail addressed to the party at the address herein set forth or otherwise designated in writing.

12. This Security Agreement covers all the other machinery and equipment of the Debtor now existing or hereafter acquired wherever located.

Debtor YORK LITHO CORPORATION OF AMERICA

By: *Sheldon Turner*

Sheldon Turner, President

SECRETARY'S CERTIFICATE

RESOLVED, that the President, Vice-President, Secretary, Treasurer or other officer or any agent of this corporation, or any one or more of them, be and they are hereby authorized and empowered to enter into and execute on behalf of the corporation an agreement with Chemical Bank—Dommerich Division (hereinafter called the "Factor") relating to the granting of a security interest, pledge, assignment, negotiation and guarantee to said Factor of accounts, contract rights, instruments, chattel paper, notes, bills, acceptances and other forms of obligations, collectively referred to as "receivables", and/or relating to the consignment, pledge, mortgage or other hypothecation of any inventory or other property, now or hereafter belonging to or acquired by the corporation, to or with said Factor, and from time to time to modify or supplement said agreement and to make and modify, or supplement arrangements with said Factor as to the terms or conditions on which such receivables are to be sold, pledged, assigned, negotiated or guaranteed to said Factor, and as to the terms or conditions on which merchandise or other property, now or hereafter belonging to or acquired by the corporation, may be consigned, pledged, mortgaged or otherwise hypothecated to or with said Factor, and they and each of them and any person or persons hereafter and from time to time designated by any of them to act for this Corporation are hereby further authorized and empowered from time to time to sell, assign, transfer, deliver, endorse, negotiate or otherwise transfer and/or guarantee to said Factor and its assigns any and all receivables now or hereafter belonging to or acquired by the corporation, and for said purposes to execute and deliver any and all assignments, schedules, transfers, endorsements, contracts, guarantees, agreements or other instruments in respect thereof and to make remittances and payments in respect thereof by checks, drafts or otherwise, and they are further authorized and empowered from time to time to consign, designate, pledge, mortgage or otherwise hypothecate to or with said Factor inventory or other property now or hereafter belonging to or acquired by the corporation, and for said purposes to execute and deliver any and all consignments, security agreements, financing statements, designations, schedules, mortgages, agreements, instruments of pledge and/or other instruments in respect thereof, and to do and perform all such other acts and things deemed by such officer or agent necessary, convenient or proper to carry out, modify or supplement any such agreement and arrangements made with said Factor, hereby ratifying, approving and confirming all that any of said officers or agents have done or may do in the premises.

I, Fred Herman, do hereby certify that I am the Secretary of York Litho Corp. of America

a corporation organized and existing under and by virtue of the laws of the State of Florida

having its principal place of business in the City of Miami; that I am the keeper of the corporate records and the seal of said corporation; that the foregoing is a true, and correct copy of a resolution duly adopted and ratified at a special meeting of the Board of Directors of said corporation duly convened and held in accordance with its by-laws and the laws of said State at the office of said corporation

in the City of Miami State of Florida on the 7th

day of Sept., 1971, as taken and transcribed by me from the minutes of said meeting and compared by me with the original of said resolution recorded in said minutes, and that the same has not in any way been modified, repealed or rescinded but is in full force and effect; that the within and foregoing agreement is the agreement referred to in said resolution and was duly executed pursuant thereto.

I do further certify that the following are the names and specimen signatures of the officers and agents of said corporation, so empowered and authorized, namely:

President Sheldon Turner
(Print name)

Vice-President Donald Richardson
(Print name)

Secretary Fred Herman
(Print name)

Treasurer _____
(Print name)

Agent _____
(Print name)

Sheldon Turner
(Signature)
Donald R. Richardson
(Signature)
Fred Herman
(Signature)

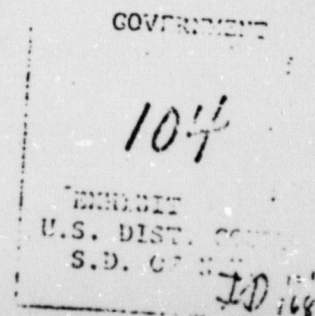
(Signature)

(Signature)

Witness my hand and seal of said corporation this _____ day of _____, 1971

(Affix corporate seal here)

(Secretary of said corporation)



GUARANTY

CHEMICAL BANK
Dommerich Division
New York, New York

DEAR SIRS:

In order to induce you to enter into the Security Agreement (Accounts Receivable) effective as of
19 with Y.O.S. LIT CORPORATION OF AMERICA
13901 N.W. 58th Court, Maimi, Florida

(hereinafter referred to as the "client") and/or to continue under or to refrain at this time from terminating your present arrangement with the client and in consideration of your so doing and/or in consideration of any loans, advances, payments, extensions of credit, benefits or financial accommodations heretofore or hereafter made, granted or extended by you or which you have or will become obligated to make, grant or extend to or for the account of the client whether under said agreement or otherwise, and/or in consideration of any obligation heretofore or hereafter incurred by the client to you whether under said agreement or otherwise, the undersigned (and each of them if more than one) agree to be, without deduction by reason of setoff, defense, or counterclaim of the client, jointly and severally primarily liable to you for the due performance of all the client's contracts and agreements with you, both present and future and any and all subsequent renewals, continuations, modifications, supplements and amendments thereof, and for the payment to you of any and all sums which may be presently due and owing or which shall in the future become due and owing to you from the client. This liability shall include but not be limited to any and all amounts charged or chargeable to the account of the client and any and all obligations incurred and sums due or to become due to you, whether by way of overdraft or otherwise, under the aforementioned agreement and any other contract or agreement and any renewals, continuations, modifications, supplements and amendments thereof, as well as any and all other obligations incurred and other sums due or to become due to you, whether or not such obligations or indebtedness shall arise under any contract or agreement or shall be represented by or payable under instruments of indebtedness or shall be acquired by you from any concern for which you may now or in the future act as factor; and in addition the undersigned shall be liable to you for attorneys' fees equal to 15% of the unpaid indebtedness and obligations of the client to you, if any claim hereunder is referred to an attorney for collection. All deposits and sums at any time to the credit of the undersigned and any property of the undersigned at any time in your possession shall be deemed held by you as security for any and all of the undersigned's obligations to you, no matter how or when arising and whether under this or any other instrument, agreement or otherwise. Any and all present and future debts and obligations of client to the undersigned are hereby waived and postponed in favor of, and subordinated to the full payment and performance of, all present and future debts and obligations of client to you. The undersigned hereby waive notice of acceptance hereof and all notices and demands of any kind to which the undersigned may be entitled, including without limitation all demands of payment on, and notice of non-payment, protest and dishonor to the undersigned, or the client, or the makers, or endorsers of any notes or other instruments for which the undersigned are or may be liable hereunder. The undersigned further waive notice of and hereby consent to any agreement or arrangements whatever with the client or anyone else, including without limitation agreements and arrangements for payment, extension, subordination, composition, arrangement, discharge or release of the whole or any part of said obligations or of said indebtedness, contracts or agreements or other guarantors, or for the change or surrender of any or all security, or for compromise, whether by way of acceptance of part payment or of returns of merchandise or of dividends or in any other way whatsoever, and the same shall in no way impair the undersigned's liability hereunder. The undersigned shall have no right of subrogation, reimbursement or indemnity whatsoever and no right of recourse to or with respect to any assets or property of the client or to any collateral for the debts and obligations of the client to you, unless and until all said debts and obligations shall have been paid in full. Nothing shall discharge or satisfy the liability of the undersigned hereunder except the full performance and payment of the said obligation and indebtedness with interest. The undersigned agree that if the client or any of the undersigned should at any time become insolvent, or make a general assignment, or if a petition in bankruptcy or any insolvency or reorganization proceeding shall be filed or commenced by, against or in respect of the client or any of the undersigned, any and all obligations of the undersigned shall, at your option, forthwith become due and payable without notice. Your books and records showing the account between you and the client shall be admissible in evidence in any action or proceeding, shall be binding upon the undersigned for the purpose of establishing the items therein set forth, and shall constitute prima facie proof thereof, except that your monthly statements rendered to client shall, to the extent to which no objection is made within thirty days after date thereof, constitute an account stated between you and the client and binding upon the undersigned. This instrument is a continuing guaranty which shall remain in full force and effect and shall not be terminable so long as either the aforementioned agreement or your present arrangement with the client or any renewals, continuations, modifications, supplements and amendments of either thereof shall remain in force and effect. Thereafter this instrument shall continue in full force and effect until terminated by the actual receipt by you by registered or certified mail of written notice of termination from the undersigned or from the legal representative of any deceased undersigned; such termination shall be applicable only to transactions having their inception thereafter, and rights and obligations arising out of transactions having their inception prior to such termination shall not be affected. The death of anyone or more of the undersigned shall not effect a termination of this instrument as to such deceased or any of the surviving undersigned, nor shall termination by any one or more of the undersigned affect the continuing liability hereunder of such of the undersigned as do not give due notice of termination. The obligations hereunder shall constitute primary and not secondary obligations. The undersigned do hereby waive any and all right to a trial by jury in any action or proceeding based hereon. This instrument cannot be changed or terminated orally, shall be interpreted according to the laws of the State of New York, shall be binding upon the heirs, executors, administrators, successors and assigns of the undersigned and shall extend to the benefit of your successors and assigns.

Witness: _____

Dated: _____

Witness: _____

Dated: _____

Witness: _____

Dated: _____

Shelton Turner (L. S.)
(Signature of Guarantor)

(Address)

(Signature of Guarantor)

(L. S.)

(Address)

(Signature of Guarantor)

(L. S.)

(Address)

PROMISSORY NOTE

\$60,000

NEW YORK, NEW YORK
January 25, 1971

The undersigned, YORK LITHO CORPORATION OF AMERICA, (herein referred to as "MAKER"), for value received, promises to pay to the order of Chemical Bank-Donnerich Division (herein referred to as the "PAYEE"), at the Payee's office at 110 East 59th Street, New York, New York, or at such other place as the Payee or any subsequent holder hereof may designate, the sum of Sixty Thousand Dollars (\$60,000), with interest as hereinafter provided. Said principal amount of \$60,000 shall be payable in thirty-six (36) monthly consecutive installments commencing March 1, 1971, the first 35 such installments in the sum of One Thousand Seven Hundred Dollars (\$1,700) and the 36th installment in the sum of Five Hundred Dollars (\$500).

Interest shall be computed monthly on the last day of each month. Interest shall be charged at the rate of 15.333% per annum. Such rate of interest shall be increased or decreased by .3% per annum for each increase or decrease, respectively, of .25% that is hereafter made at the Chemical Bank Prime Rate. At the option of the Payee, such interest and/or any and/or all of said installments may be charged to Maker's Accounts Receivable Financing Account, so long as such shall remain in existence.

As security for the full and prompt payment of each and every installment of principal and/or interest, and/or any and/or all other obligations, liabilities and indebtedness which may now or at any time hereafter be owed by Maker to Payee, or to any subsequent holder of this note (hereinafter collectively referred to as "OBLIGATIONS"), Maker has executed and delivered Accounts Receivable Financing Agreement dated October 3, 1961, in which all obligations of the Maker are secured by Payee's security interest in the Maker's Accounts Receivable.

If Maker shall default in the prompt, full and complete payment and performance of any of the obligations, or upon the occurrence of any other event of default as set forth in said Accounts Receivable Financing Agreement, or any other agreement between Maker and Payee, the entire unpaid balance of all Obligations then outstanding shall, at the option of Payee, become immediately due and payable without notice or demand. Interest on all amounts not paid when due according to their terms or by acceleration, shall be computed at the rate of two (2%) per cent per month from the date so becoming past due to the date of payment. If any holder hereof, upon such default, shall retain any attorney to collect this note or to protect the rights of such holder with respect thereto, or with respect to any property securing the Obligations, the Maker shall pay all costs and expenses of such collection or protection, including attorneys' fees equal to fifteen per cent (15%) of the then unpaid balance of the obligations.

This note may be prepaid in whole or in part at anytime that the Maker may so determine without penalty.

This note is made in the State of New York and shall be governed, construed and interpreted in all respects in accordance with the laws of the state of New York.

The Maker and each Endorser hereby waives demand, presentment, protest and notice thereof, and all other notices to which they might otherwise be entitled, and each of them hereby waives trial by jury in any action or proceeding arising out of or connected herewith.

GOVERNMENT

id

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EXHIBIT
U.S. DIST. COURT
S.D. OF N.Y.

10

YORK LITHO CORPORATION OF AMERICA

By: [Signature]
Title: [Signature]

YORK LITHO CORP OF AMERICA
13901 N. W. 58 Court
Hialeah, Florida

Chemical Bank
Dommerich Division
110 East 59 Street
New York, New York

GOVERNMENT

id

January 19, 1972

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Re: Surrender of Collateral

Gentlemen:

EXHIBIT
U.S. DIST. COURT
S.D. OF N.Y. ~~108~~

York Litho Corp. of America, a Florida corporation, hereby admits that it is in default in payment of substantial indebtedness owed by it to you, including, without limitation, indebtedness arising under the October 3, 1961 Accounts Receivable Financing Agreement and the January 25, 1971 Equipment Security Agreement between the undersigned and you.

Accordingly, the undersigned hereby surrenders and grants to you exclusive possession of all equipment owned by it, wherever located, including equipment located at 13901 N. W. 58 Court, Hialeah, Florida. This surrender of equipment is made in recognition of your rights as a secured party under the Uniform Commercial Code, and pursuant to said Equipment Security Agreement.

No disposition of any equipment now or hereafter on hand shall be made other than pursuant to your instructions, and any equipment that may be in the possession of the undersigned shall be so held as your agent, and subject to your sole instructions.

You will permit the undersigned, its officers, employees, and agents to enter upon the premises located at 13901 N.W. 58 Court, Hialeah, Florida in your sole discretion and subject to your sole and exclusive dominion and control. Subject to the foregoing limitation, the undersigned, in your sole discretion, may use the equipment at said location. Further, any loans and advances to be made by you to or for the account of the undersigned, in your sole discretion, shall constitute general funds of the undersigned and be used for the undersigned's general purposes. Any loans and advances hereinafter made shall be secured by the security interests heretofore granted you by the undersigned.

Page 2

January 19, 1971

This letter in no way limits your rights under the Security Agreements and the Uniform Commercial Code.

Very truly yours,

YORK LITHO CORP. OF AMERICA

By SHELDON TURNER, President

YORK LITHO CORP OF AMERICA

NAME

Longh... Inc.

ACCOUNT NO. _____

SHEET NO. 1

ADDRESS

*3401 N.W. 30th St.
Miami, Florida*

CLASSIFICATION

CR. RATING

TERMS

SALESMAN

305-

NO LISTING

DATE	REFERENCE	CHARGES	CREDITS	BALANCE
		PURCHASES	PAYMENTS	
BALANCE FORWARDED →				
NOV 16'71	16,225	4,187.00		4,187.00 •
DEC 2'71	16,299	3,921.00		8,108.00 •
DEC 7'71CS			4,187.00	3,921.00 •
DEC 17'71	16,382	7,166.00		11,087.00 •
DEC 31'71	16,429	4,312.00		15,399.00 •
MAY 3'72JE			15,399.00	.00 •

GOVERNMENT

id

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EXHIBIT

U.S. DIST. COURT
S.D. OF N.Y.

GUARANTY

CHEMICAL BANK
Dommerich Division
New York, New York

DEAR SIR:

In order to induce you to enter into the Security Agreement (Accounts Receivable) effective as of October 3, 1961 with YORK LITHO CORPORATION OF AMERICA, 3630 N. W. 36th Avenue, Miami, Florida; a Florida Corporation

(hereinafter referred to as the "client") and/or to continue under or to refrain at this time from terminating your present arrangement with the client and in consideration of your so doing and/or in consideration of any loans, advances, payments, extensions of credit, benefits or financial accommodations heretofore or hereafter made, granted or extended by you or which you have or will become obligated to make, grant or extend to or for the account of the client whether under said agreement or otherwise, and/or in consideration of any obligation heretofore or hereafter incurred by the client to you whether under said agreement or otherwise, the undersigned (and each of them if more than one) agree to be, without deduction by reason of setoff, defense, or counterclaim of the client, jointly and severally primarily liable to you for the due performance of all the client's contracts and agreements with you, both present and future and any and all subsequent renewals, continuations, modifications, supplements and amendments thereof, and for the payment to you of any and all sums which may be presently due and owing or which shall in the future become due and owing to you from the client. This liability shall include but not be limited to any and all amounts charged or chargeable to the account of the client and any and all obligations incurred and sums due or to become due to you, whether by way of overdraft or otherwise, under the aforementioned agreement and any other contract or agreement and any renewals, continuations, modifications, supplements and amendments thereof, as well as any and all other obligations incurred and other sums due or to become due to you, whether or not such obligations or indebtedness shall arise under any contract or agreement or shall be represented by or payable under instruments of indebtedness or shall be acquired by you from any concern for which you may now or in the future act as factor; and in addition the undersigned shall be liable to you for attorneys' fees equal to 15% of the unpaid indebtedness and obligations of the client to you, if any claim hereunder is referred to an attorney for collection. All deposits and sums at any time to the credit of the undersigned and any property of the undersigned at any time in your possession shall be deemed held by you as security for any and all of the undersigned's obligations to you, no matter how or when arising and whether under this or any other instrument, agreement or otherwise. Any and all present and future debts and obligations of client to the undersigned are hereby waived and postponed in favor of, and subordinated to the full payment and performance of, all present and future debts and obligations of client to you. The undersigned hereby waive notice of acceptance hereof and all notices and demands of any kind to which the undersigned may be entitled, including without limitation all demands of payment on, and notice of non-payment, protest and dishonor to the undersigned, or the client, or the makers, or endorsers of any notes or other instruments for which the undersigned are or may be liable hereunder. The undersigned further waive notice of and hereby consent to any agreement or arrangements whatever with the client or anyone else, including without limitation agreements and arrangements for payment, extension, subordination, composition, arrangement, discharge or release of the whole or any part of said obligations or of said indebtedness, contracts or agreements or other guarantors, or for the change or surrender of any or all security, or for compromise, whether by way of acceptance of part payment or of returns of merchandise or of dividends or in any other way whatsoever, and the same shall in no way impair the undersigned's liability hereunder. The undersigned shall have no right of subrogation, reimbursement or indemnity whatsoever and no right of recourse to or with respect to any assets or property of the client or to any collateral for the debts and obligations of the client to you, unless and until all said debts and obligations shall have been paid in full. Nothing shall discharge or satisfy the liability of the undersigned hereunder except the full performance and payment of the said obligation and indebtedness with interest. The undersigned agree that if the client or any of the undersigned should at any time become insolvent, or make a general assignment, or if a petition in bankruptcy or any insolvency or reorganization proceeding shall be filed or commenced by, against or in respect of the client or any of the undersigned, any and all obligations of the undersigned shall, at your option, forthwith become due and payable without notice. Your books and records showing the account between you and the client shall be admissible in evidence in any action or proceeding, shall be binding upon the undersigned for the purpose of establishing the items therein set forth, and shall constitute prima facie proof thereof, except that your monthly statements rendered to client shall, to the extent to which no objection is made within thirty days after date thereof, constitute an account stated between you and the client and binding upon the undersigned. This instrument is a continuing guaranty which shall remain in full force and effect and shall not be terminable so long as either the aforementioned agreement or your present arrangement with the client or any renewals, continuations, modifications, supplements and amendments of either thereof shall remain in force and effect. Thereafter this instrument shall continue in full force and effect until terminated by the actual receipt by you by registered or certified mail of written notice of termination from the undersigned or from the legal representative of any deceased undersigned; such termination shall be applicable only to transactions having their inception thereafter, and rights and obligations arising out of transactions having their inception prior to such termination shall not be affected. The death of anyone or more of the undersigned shall not effect a termination of this instrument as to such deceased or any of the surviving undersigned, nor shall termination by any one or more of the undersigned affect the continuing liability hereunder of such of the undersigned as do not give due notice of termination. The obligations hereunder shall constitute primary and not secondary obligations. The undersigned do hereby waive any and all right to a trial by jury in any action or proceeding based hereon. This instrument cannot be changed or terminated orally, shall be interpreted according to the laws of the State of New York, shall be binding upon the heirs, executors, administrators, successors and assigns of the undersigned and shall extend to the benefit of your successors and assigns.

Witness: _____

Dated: 11/27/61

Witness: _____

Dated: _____

Witness: _____

Dated: _____

(Signature of Guarantor) (L. S.)

(Address)

(Signature of Guarantor) (L. S.)

(Address)

(Signature of Guarantor) (L. S.)

(Address)

(Signature of Guarantor) (L. S.)

(Address)

ACCOUNTS RECEIVABLE FINANCING AGRI

L. F. DOMMERICH & CO., INC.
485 Fifth Avenue
New York 17, New York

101

DEAR SIR:

The following agreement between us, by which you are to act as our sole factor, is effective as of

EXHIBIT

DIST. COURT

N.Y. OF N.Y. T.S.

1. As security for loans and advances made or to be made by you to or for the account of the undersigned (herein collectively termed "receivables") and the proceeds thereof, now existing or hereafter created, acceptable to you, and represented by the undersigned to be bona fide obligations of its customers existing at the time of assignment to you and arising out of and acquired by the undersigned in the ordinary course of its business, which are due and owing to the undersigned without defense, offset, contra account or counterclaim, of any nature whatsoever against any of them. The undersigned warrants and represents that it is the owner of the said receivables and that the same have not been previously assigned or pledged, lien or otherwise encumbered. The undersigned will not, during the term of this agreement, sell, assign, pledge or hypothecate any of its receivables to any other person, firm, association or corporation. As further security, the undersigned further assigns, transfers and sets over to you all its right, title and/or interest in the merchandise represented by said receivables and in all such merchandise that may be returned, reconsign or not received by customers and all its rights of stoppage in transit, repurchase and reclamation and as an unpaid vendor and/or lienor. Any merchandise so recovered shall be treated as returned merchandise and shall be set aside, marked with your name and held for your account. The undersigned shall notify you promptly of all such returned merchandise and on request promptly deliver the same to you; unless the undersigned pays to you the amount of the receivable represented by such returned merchandise, or furnishes you on your demand with collateral in form and amount satisfactory to you, you may take possession of and sell or cause to be sold without notice such returned merchandise, at such prices, to such purchasers and upon such terms as you deem advisable, and the undersigned shall remain liable to you for any deficiency and for the costs and expenses of such sale.

2. At the time of the assignment of receivables, you will advance to the undersigned at your discretion a sum up to eighty percent (80%) of the net amount of receivables acceptable to you, less your charges as hereinafter described. "Net amount of receivables" means the gross amount of said receivables less any discounts or allowances of any nature. The balance of said net amount, less any monies remitted, paid or otherwise advanced by you to or for the account of the undersigned, including any amounts which you may be obligated to pay in the future, shall be remitted when all said receivables shall be collected in full. You shall be entitled to hold all sums to the credit of the undersigned and any property of the undersigned in your possession as security for any and all of the undersigned's obligations to you no matter how arising and whether under this agreement or otherwise. Subject to the provisions of this agreement, at the request of the undersigned you may at any time in your sole discretion remit any monies standing to the credit of the undersigned on your books. The undersigned shall not pledge your credit for any purpose whatever. You shall have the right to charge to the account of the undersigned any amounts owing to you for purchases made by the undersigned from any other concern factored by you.

3. The undersigned will provide you with an assignment satisfactory to you of all said receivables, together with copies of customers' invoices and conclusive evidence of shipment and will immediately make appropriate notations upon and entries in its ledgers and books of account disclosing such assignment. Your credit and collection services are to be available to the undersigned, but in order to expedite collection of assigned receivables the undersigned shall endeavor in the first instance to make collection of assigned receivables for you. All remittances received by the undersigned on account of receivables assigned to you shall not be commingled with the undersigned's other property, but shall be segregated, held by the undersigned in trust for you as your exclusive property and the undersigned will immediately deliver to you the identical checks, monies or other forms of payment received and you shall have the right to endorse the name of the undersigned on any and all checks, or other forms of remittance received, where such endorsement is required to effect collection. The undersigned warrants and represents that all its employees receiving remittances are and will be bonded as assurance for their faithful performance. Without in any way affecting the undersigned's liability to you hereunder, the undersigned agrees that to the extent of any defalcation of your property you shall receive the proceeds of any such bond. You retain the right at all times of notifying customers that receivables have been assigned to you and to collect said receivables directly in your name and to charge the collection expenses to the undersigned.

4. All amounts received by you in payment of receivables assigned to you are to be credited to the account of the undersigned after allowing five (5) days for collection. Your charge is to be an amount equal to one twenty-seventh of one percent, upon the net balance due you at the close of each day. Such charge is to be due and payable to you by the undersigned at the close of each month. You will account monthly and such account rendered by you shall be deemed binding upon the undersigned unless you are notified in writing to the contrary within thirty (30) days after the date of each account rendered.

5. The undersigned hereby constitutes **James F. Healy** or any other person whom he or you may designate as attorney of the undersigned, with power to receive, open and dispose of all mail addressed to the undersigned; to notify the Post Office authorities to change the address for delivery of mail addressed to the undersigned to such address as you may designate; to endorse the name of the undersigned on any notes, acceptances, checks, drafts, money orders or other evidences of payment or collateral that may come into your possession; to sign the name of the undersigned on any invoice or bill of lading relating to any assigned receivable, on drafts against debtors, assignments and verifications of accounts and notices to debtors; to send requests for verification of accounts to any debtor; and to do all other acts and things necessary to carry out this agreement. All acts of said attorney or designee are hereby ratified and approved and said attorney or designee shall not be liable for any acts of commission or omission nor for any error of judgment or mistake of fact or law. This power, being coupled with an interest, is irrevocable while any assigned receivable shall remain unpaid, or any money remain due to you from the undersigned.

6. You shall have the right at all reasonable times to inspect, verify and check all the books, accounts, records, orders and correspondence and such other papers of the undersigned as you may desire. The undersigned, at its own cost and expense, shall furnish to you a monthly aging of receivables and a daily schedule of payments received together with all remittance advices accompanying such payments.

ACCOUNTS RECEIVABLE FINANCING AGREEMENT

L. F. DOMMERICH & CO., INC.
485 Fifth Avenue
New York 17, New York

DEAR SIRS:

The following agreement between us, by which you are to act as our sole factor, is effective as of...ACCEPTANCE DATE...

1. As security for loans and advances made or to be made by you to or for the account of the undersigned, the undersigned hereby pledges, assigns, transfers and sets over to you all accounts, notes, bills, acceptances or other forms of obligation (herein collectively termed "receivables") and the proceeds thereof, now existing or hereafter created, acceptable to you, and represented by the undersigned to be bona fide obligations of its customers existing at the time of assignment to you and arising out of and acquired by the undersigned in the ordinary course of its business, which are due and owing to the undersigned without defense, offset, contra account or counterclaim, of any nature whatsoever against any of them. The undersigned warrants and represents that it is the owner of the said receivables and that the same have not been previously assigned or pledged, liened or otherwise encumbered. The undersigned will not, during the term of this agreement, sell, assign, pledge or hypothecate any of its receivables to any other person, firm, association or corporation. As further security, the undersigned further assigns, transfers and sets over to you all its right, title and/or interest in the merchandise represented by said receivables and in all such merchandise that may be returned, reconsigning or not received by customers and all its rights of stoppage in transit, replevin and reclamation and as an unpaid vendor and/or lienor. Any merchandise so recovered shall be treated as returned merchandise and shall be set aside, marked with your name and held for your account. The undersigned shall notify you promptly of all such returned merchandise and on request promptly deliver the same to you; unless the undersigned pays to you the amount of the receivable represented by such returned merchandise, or furnishes you on your demand with collateral in form and amount satisfactory to you, you may take possession of and sell or cause to be sold without notice such returned merchandise, at such prices, to such purchasers and upon such terms as you deem advisable, and the undersigned shall remain liable to you for any deficiency and for the costs and expenses of such sale.
2. At the time of the assignment of receivables, you will advance to the undersigned at your discretion a sum up to eighty percent (80%) of the net amount of receivables acceptable to you, less your charges as hereinafter described. "Net amount of receivables" means the gross amount of said receivables less any discounts or allowances of any nature. The balance of said net amount, less any monies remitted, paid or otherwise advanced by you to or for the account of the undersigned, including any amounts which you may be obligated to pay in the future, shall be remitted when all said receivables shall be collected in full. You shall be entitled to hold all sums to the credit of the undersigned and any property of the undersigned in your possession as security for any and all of the undersigned's obligations to you no matter how arising and whether under this agreement or otherwise. Subject to the provisions of this agreement, at the request of the undersigned you may at any time in your sole discretion remit any monies standing to the credit of the undersigned on your books. The undersigned shall not pledge your credit for any purpose whatever. You shall have the right to charge to the account of the undersigned any amounts owing to you for purchases made by the undersigned from any other concern factored by you.
3. The undersigned will provide you with an assignment satisfactory to you of all said receivables, together with copies of customers' invoices and conclusive evidence of shipment and will immediately make appropriate notations upon and entries in its ledgers and books of account disclosing such assignment. Your credit and collection services are to be available to the undersigned, but in order to expedite collection of assigned receivables the undersigned shall endeavor in the first instance to make collection of assigned receivables for you. All remittances received by the undersigned on account of receivables assigned to you shall not be commingled with the undersigned's other property, but shall be segregated, held by the undersigned in trust for you as your exclusive property and the undersigned will immediately deliver to you the identical checks, monies or other forms of payment received and you shall have the right to endorse the name of the undersigned on any and all checks, or other forms of remittance received, where such endorsement is required to effect collection. The undersigned warrants and represents that all its employees receiving remittances are and will be bonded as assurance for their faithful performance. Without in any way affecting the undersigned's liability to you hereunder, the undersigned agrees that to the extent of any defalcation of your property you shall receive the proceeds of any such bond. You retain the right at all times of notifying customers that receivables have been assigned to you and to collect said receivables directly in your name and to charge the collection expenses to the undersigned.
4. All amounts received by you in payment of receivables assigned to you are to be credited to the account of the undersigned after allowing five (5) days for collection. Your charge is to be an amount equal to one twenty-seventh of one percent, upon the net balance due you at the close of each day. Such charge is to be due and payable to you by the undersigned at the close of each month. You will account monthly and such account rendered by you shall be deemed binding upon the undersigned unless you are notified in writing to the contrary within thirty (30) days after the date of each account rendered.
5. The undersigned hereby constitutes **James F. Healy** or any other person whom he or you may designate as attorney of the undersigned, with power to receive, open and dispose of all mail addressed to the undersigned; to notify the Post Office authorities to change the address for delivery of mail addressed to the undersigned to such address as you may designate; to endorse the name of the undersigned on any notes, acceptances, checks, drafts, money orders or other evidences of payment or collateral that may come into your possession; to sign the name of the undersigned on any invoice or bill of lading relating to any assigned receivable, on drafts against debtors, assignments and verifications of accounts and notices to debtors; to send requests for verification of accounts to any debtor; and to do all other acts and things necessary to carry out this agreement. All acts of said attorney or designee are hereby ratified and approved and said attorney or designee shall not be liable for any acts of commission or omission nor for any error of judgment or mistake of fact or law. This power, being coupled with an interest, is irrevocable while any assigned receivable shall remain unpaid, or any money remain due to you from the undersigned.
6. You shall have the right at all reasonable times to inspect, verify and check all the books, accounts, records, orders and correspondence and such other papers of the undersigned as you may desire. The undersigned, at its own cost and expense, shall furnish to you a monthly aging of receivables and a daily schedule of payments received together with all remittance advices accompanying such payments.

7. The undersigned hereby guarantees the solvency of its customers and warrants that the customer in each instance will accept the merchandise sold and/or the services rendered and will pay the invoice therefor without dispute or claim in any respect including, without limitation, disputes as to price, terms or quality and of time of release from liability or of inability to pay because of any act of God or a public enemy or war or because of the requirements of law or of rules, orders or regulations having the force of law. The undersigned will notify you promptly of and shall settle at its own expense all such disputes and/or claims, and will pay you promptly the amount of the receivables affected thereby. In the event that any receivable is not paid within ninety (90) days after maturity, or in the event a petition in bankruptcy or application for any other relief under any provision of the Bankruptcy Act is filed by or against a customer, or a receiver is appointed for the assets or affairs of a customer, or a customer shall make a general assignment for the benefit of creditors, or in the event of the insolvency of a customer, the receivables unpaid at that time by said customer may be immediately charged to the undersigned who will pay you promptly the amount thereof. In the event the undersigned fails to pay you promptly as above provided, you are to have the right to settle or adjust all disputes and/or claims directly with the customer or to compromise or extend the time for payment of the receivables, for such amounts and upon such terms and conditions as you deem advisable and to charge the deficiencies, costs and expenses thereof to the undersigned. The charge of any receivable to the undersigned's account shall not be deemed a reassignment thereof and title thereto and to the merchandise represented thereby shall remain in you until you are fully reimbursed.

8. Upon the termination of this agreement or in the event that any representation or warranty made by the undersigned, either in connection with this agreement or any assignment hereunder shall be false, or in the event of the breach by the undersigned of any provision of this agreement or default by the undersigned in the performance of any term, covenant or condition hereof, or if the undersigned shall suspend its business, or if the undersigned shall call a meeting of any of its creditors or if any judgment shall be entered against the undersigned which shall not be paid or bonded on appeal within five days after the entry of such judgment, or if the undersigned either voluntarily or involuntarily seeks or is the subject of petitions for relief of the undersigned under the Bankruptcy Act or Federal or State receivership, or under any State statute invoked on the allegation of the then insolvency of the undersigned, the undersigned will repay forthwith all obligations to you of the undersigned and in addition thereto, all expenses incurred or extended, including a reasonable allowance for attorneys' fees to obtain or enforce payment of any account assigned hereunder, or in the prosecution or defense of any action either against you or against the undersigned concerning any matter growing out of or connected with the subject matter of this agreement and/or the receivables assigned hereunder; in the event of the undersigned's failure so to do, you may immediately or at any time or from time to time, without further demand and without advertisement or notice, all of which are hereby expressly waived, sell, assign and deliver the receivables and/or any other security or property held by you, at public or private sale, for cash, upon credit, or otherwise, at your sole discretion and option, and you may bid or become purchasers at any such sale if public, free from any right of redemption which is hereby expressly waived. The proceeds of any such sale shall be applied first to all expenses of sale, and second to the payment of all of the obligations or liabilities of the undersigned to you, whether due or to become due, including attorneys' fees, returning the overplus, if any, to the undersigned who shall remain liable to you for any deficiency. The undersigned waives presentment, demand, protest and notice thereof as to any instrument, as well as all other notices to which it might otherwise be entitled.

9. The undersigned hereby warrants its solvency. This agreement made in the State of New York shall be interpreted according to the laws of said State and shall continue in full force and effect until one year from the effective date hereof, and from year to year thereafter unless terminated by you or the undersigned, by written notice of intention so to terminate given at least sixty (60) days prior to the anniversary date of this agreement provided, however, that so long as any monies are due to you by the undersigned by reason of this agreement or for any other cause whatsoever, this agreement shall continue in full force and effect.

10. Termination shall be affected by the mailing of a registered letter of notice and the termination shall be effective as of the date so stated in such notice subject to the provisions of paragraph 9; notwithstanding the foregoing, should either of us become insolvent or unable to meet its debts as they mature, or commit an act of bankruptcy, the other of us shall have the right to terminate this agreement at any time without prior notice. Rights and obligations arising out of transactions having their inception prior to the effective termination date shall not be affected. Your waiver of any covenant or warranty herein contained or of any breach hereof or your failure at any particular time to exercise a right, privilege or option herein contained shall not be construed as or constitute a waiver of such, or of any other covenant, warranty, right, privilege or option, or of any subsequent breach. This agreement is entered into for the benefit of the parties, hereto, their successors and assigns, cannot be changed orally, is the complete agreement between the parties, and shall be deemed dated as of the date of your acceptance below. Throughout the Agreement, in referring to "you" it shall mean and include your subsidiary, L. F. Dommerich & Co. California Corp.

YORK LITHO CORP. OF AMERICA

Miami, Florida

ATTEST:

John B. Telleman
Secretary

By *John B. Telleman*

Its *1922* on *Oct 1*, 19

(SEAL) X

Accepted at _____

On _____, 19

ATTEST:

Secretary

L. F. DOMMERICH & CO., INC.

By _____

(SEAL)

Q

Q

Q

Q

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SECRETARY'S CERTIFICATE

ONLY COPY AVAILABLE

SECRETARY'S CERTIFICATE

RESOLVED, that the President, Vice-President, Secretary, Treasurer or other officer or any agent of this corporation, or any one or more of them, be and they are hereby authorized and empowered to enter into and execute on behalf of the corporation an agreement with L. F. Dommerich & Co., Inc. and/or its subsidiary, L. F. Dommerich & Co. California Corp. (hereinafter called the "Factor") relating to the pledge assignment, negotiation and guarantee to said Factor of accounts, notes, bills, acceptances and other forms of obligations, collectively referred to as "receivables", and/or relating to the consignment, pledge, mortgage or other hypothecation of any merchandise or other property, now or hereafter belonging to or acquired by the corporation, to or with said Factor, and from time to time to modify or supplement said agreement and to make and modify, or supplement arrangements with said Factor as to the terms or conditions on which such receivables are to be pledged, assigned, negotiated or guaranteed to said Factor, and as to the terms or conditions on which merchandise or other property, now or hereafter belonging to or acquired by the corporation, may be consigned, pledged, mortgaged or otherwise hypothecated to or with said Factor, and they and each of them and any person or persons hereafter and from time to time designated by any of them to act for this Corporation are hereby further authorized and empowered from time to time to assign, transfer, deliver, endorse, negotiate or otherwise transfer and/or guarantee to said Factor and its assigns any and all receivables now or hereafter belonging to or acquired by the corporation, and for said purposes to execute and deliver any and all assignments, schedules, transfers, endorsements, contracts, guarantees, agreements or other instruments in respect thereof and to make remittances and payments in respect thereof by checks, drafts or otherwise, and they are further authorized and empowered from time to time to consign, designate, pledge, mortgage or otherwise hypothecate to or with said Factor merchandise or other property now or hereafter belonging to or acquired by the corporation, and for said purposes to execute and deliver any and all consignments, designations, schedules, mortgages, agreements, instruments of pledge and/or other instruments in respect thereof, and to do and perform all such other acts and things deemed by such officer or agent necessary, convenient or proper to carry out, modify or supplement any such agreement and arrangements made with said Factor, hereby ratifying, approving and confirming all that any of said officers or agents have done or may do in the premises.

I, YORK LITH. CO. OF AMERICA, do hereby certify that I am the

Secretary of YORK LITH. CO. OF AMERICA

a corporation organized and existing under and by virtue of the laws of the State of FLA, having its principal

place of business in the City of MIAMI; that I am the keeper of the corporate records and the seal of said

corporation; that the foregoing is a true, and correct copy of a resolution duly adopted and ratified at a special meeting of the Board of Directors of said corporation duly convened and held in accordance with its by-laws and the laws of said State at the office of said corporation

in the City of MIAMI State of FLA, on the 2 day of

1944, as taken and transcribed by me from the minutes of said meeting and compared by me with the original of said resolution recorded in said minutes, and that the same has not in any way been modified, repealed or rescinded but is in full force and effect; that the within and foregoing agreement is the agreement referred to in said resolution and was duly executed pursuant thereto.

I do further certify that the following are the names and specimen signatures of the officers and agents of said corporation, so empowered and authorized, namely:

President Harry Hines
(Print name)

[Signature]
(Signature)

Vice-President _____
(Print name)

(Signature)

Secretary York L. Hines
(Print name)

[Signature]
(Signature)

Treasurer _____
(Print name)

(Signature)

Agent _____
(Print name)

(Signature)

Witness my hand and seal of said corporation this _____ day of _____, 19____

(Affix corporate seal here)

(Secretary of said corporation)

GUARANTY

L. F. DOMMERICH & CO., INC.
485 Fifth Avenue
New York 17, New York

DEAR SIR:

In order to induce you to enter into the within and foregoing agreement effective as of

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(hereinafter referred to as the "client") and/or to continue under or to refrain at this time from terminating your present arrangement with the client and in consideration of your so doing and/or in consideration of any loans, advances, payments, extensions of credit, benefits or financial accommodations heretofore or hereafter made, granted or extended by you or which you have or will become obligated to make, grant or extend to or for the account of the client whether under said agreement or otherwise, and/or in consideration of any obligation heretofore or hereafter incurred by the client to you whether under said agreement or otherwise, the undersigned (and each of them if more than one) agree to be, without deduction by reason of setoff, defense, or counterclaim of the client, jointly and severally primarily liable to you for the due performance of all the client's contracts and agreements with you, both present and future and any and all subsequent renewals, continuations, modifications, supplements and amendments thereof, and for the payment to you of any and all sums which may be presently due and owing or which shall in the future become due and owing to you from the client. This liability shall include but not be limited to any and all amounts charged or chargeable to the account of the client and any and all obligations incurred and sums due or to become due to you, whether by way of overcraft or otherwise, under the aforementioned agreement and any other contract or agreement and any renewals, continuations, modifications, supplements and amendments thereof, as well as any and all other obligations incurred and other sums due or to become due to you, whether or not such obligations or indebtedness shall arise under any contract or agreement or shall be represented by or payable under instruments of indebtedness or shall be acquired by you from any concern which is your parent or subsidiary or for which you may now or in the future act as factor; and in addition the undersigned shall be liable to you for attorneys' fees equal to 15% of the unpaid indebtedness and obligations of the client to you, if any claim hereunder is referred to an attorney for collection. All sums at any time to the credit of the undersigned and any property of the undersigned at any time in your possession shall be deemed held by you as security for any and all of the undersigned's obligations to you and to any company or companies which may now or at any time be your subsidiary, no matter how or when arising and whether under this or any other instrument, agreement or otherwise. Any and all present and future debts and obligations of client to the undersigned are hereby waived and postponed in favor of, and subordinated to the full payment and performance of, all present and future debts and obligations of client to you. The undersigned hereby waive notice of acceptance hereof and all notices and demands of any kind to which the undersigned may be entitled, including without limitation all demands of payment on, and notice of non-payment, protest and dishonor to the undersigned, or the client, or the makers, or endorers of any notes or other instruments for which the undersigned are or may be liable hereunder. The undersigned further waive notice of and hereby consent to any agreement or arrangements whatever with the client or anyone else, including without limitation agreements and arrangements for payment, extension, subordination, composition, arrangement, discharge or release of the whole or any part of said obligations or of said indebtedness, contracts or agreements, whether guarantors, or for the change or surrender of any or all security, or for compromise, whether by way of acceptance of part payment or of returns of merchandise or of dividends or in any other way whatsoever, and the same shall in no way impair the undersigned's liability hereunder. The undersigned shall have no right of subrogation, reimbursement or indemnity whatsoever and no right of recourse to or with respect to any assets or property of the client or to any collateral for the debts and obligations of the client to you, unless and until all said debts and obligations shall have been paid in full. Nothing shall discharge or satisfy the liability of the undersigned hereunder except the full performance and payment of the said obligation and indebtedness with interest. The undersigned agree that if the client or any of the undersigned should at any time become insolvent, or make a general assignment, or if a petition in bankruptcy or any insolvency or reorganization proceeding shall be filed or commenced by, against or in respect of the client or any of the undersigned, any and all obligations of the undersigned shall, at your option, forthwith become due and payable without notice. Your books and records showing the account between you and the client shall be admissible in evidence in any action or proceeding, shall be binding upon the undersigned for the purpose of establishing the items therein set forth, and shall constitute prima facie proof thereof, except that your monthly statements rendered to client shall, to the extent to which no objection is made within thirty days after date thereof, constitute an account stated between you and the client and binding upon the undersigned. This instrument is a continuing guaranty which shall remain in full force and effect and shall not be terminable so long as either the aforementioned agreement or your present arrangement with the client or any renewals, continuations, modifications, supplements and amendments of either thereof shall remain in force and effect. Thereafter this instrument shall continue in full force and effect until terminated by the actual receipt by you by registered or certified mail of written notice of termination from the undersigned or from the legal representative of any deceased undersigned; such termination shall be applicable only to transactions having their inception thereafter, and rights and obligations arising out of transactions having their inception prior to such termination shall not be affected. The death of anyone or more of the undersigned shall not effect a termination of this instrument as to such deceased or any of the surviving undersigned, nor shall termination by any one or more of the undersigned affect the continuing liability hereunder of such of the undersigned as do not give due notice of termination. The obligations hereunder shall constitute primary and not secondary obligations. The undersigned do hereby waive any and all right to a trial by jury in any action or proceeding based hereon. This instrument cannot be changed or terminated orally, shall be interpreted according to the laws of the State of New York, shall be binding upon the heirs, executors, administrators, successors and assigns of the undersigned and shall enure to the benefit of your successors and assigns. Throughout this Guaranty, in referring to "you" it shall mean and include your subsidiary, L. F. Dommerich & Co. California Corp.

Witness: _____	_____ (Signature of Guarantor) (L. S.)
Dated: _____	_____ (Address)
Witness: _____	_____ (Signature of Guarantor) (L. S.)
Dated: _____	_____ (Address)
Witness: _____	_____ (Signature of Guarantor) (L. S.)
Dated: _____	_____ (Address)

United States District Court

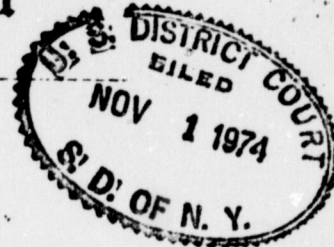
FOR THE
SOUTHERN DISTRICT OF NEW YORK

United States of America

v.

SHELDON S. TURNER

No. 74 Cr. 424



On this 1st day of November, 1974, came the attorney for the government and the defendant appeared in person and by counsel Michael S. Washor Esq.,

IT IS ADJUDGED that the defendant upon his plea of² not guilty and a verdict of **guilty**,

has been convicted of the offense of unlawfully, wilfully, and knowingly did make a false statement and report for the purpose of influencing the action of Chemical bank, the deposits of which were then insured by the Federal Deposit Insurance Corporation, upon certain advances and loans, and the acceptance of security of accounts receivable financing agreement was in effect between the bank and York Litho Corp. of America.

(Title 18 United States Code, Section 1014 and Section 2.)

as charged³ in counts 2,3, & 11

and the court having asked the defendant whether he has anything to say why judgment should not be pronounced, and no sufficient cause to the contrary being shown or appearing to the Court,

IT IS ADJUDGED that the defendant is guilty as charged and convicted.

IT IS ADJUDGED that the defendant is hereby committed to the custody of the Attorney General or his authorized representative for imprisonment for a period of⁴ SIX(6)MONTHS on each of counts 2,3, and 11 to run consecutively, for a total of EIGHTEEN(18)MONTHS imprisonment. And the defendant is FINED \$2,000 on each of counts 2,3, and 11, for a TOTAL FINE of \$6,000 to be paid or the defendant is to stand committed.

The defendant is to surrender to the United States Marshal on wednesday, november 6, 1974 at 12:00 noon.

IT IS ADJUDGED that⁵

IT IS ORDERED that the Clerk deliver a certified copy of this judgment and commitment to the United States Marshal or other qualified officer and that the copy serve as the commitment of the defendant.

The Court recommends commitment to⁶

United States District Judge.

Robert L. Carter
Raymond F. Bergman
Clerk

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ofw

